United Nations A/64/414

General Assembly

Distr.: General
1 December 2009

Original: English

Sixty-fourth session
Agenda item 118

Revitalization of the work of the General Assembly

Report of the Special Political and Decolonization Committee (Fourth Committee)

Rapporteur: Mr. Khalid Mohammed Osman **Ali** (Sudan)

1. At its 2nd plenary meeting, on 18 September 2009, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fourth session the item entitled "Revitalization of the work of the General Assembly" and to allocate it to all the Main Committees for the sole purpose of considering and taking action on their respective tentative programmes of work.

2. The Special Political and Decolonization Committee (Fourth Committee) considered the item at its 25th meeting, on 19 November 2009 (see A/C.4/64/SR.25).

3. At its 25th meeting, on 19 November, the Committee had before it a draft decision entitled "Proposed programme of work and timetable of the Special Political and Decolonization Committee (Fourth Committee) for the sixty-fifth session of the General Assembly" (A/C.4/64/L.10).

4. At the same meeting, the Committee adopted draft decision A/C.4/64/L.10 (see para. 5).

Recommendation of the Fourth Committee

5. The Fourth Committee recommends to the General Assembly the adoption of the following draft decision:

09-54022 (E) 071209

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Proposed programme of work and timetable of the Special Political and Decolonization Committee (Fourth Committee) for the sixty-fifth session of the General Assembly

The General Assembly approves the proposed programme of work and timetable of the Special Political and Decolonization Committee (Fourth Committee) for the sixty-fifth session of the General Assembly, as contained in the annex to the report of the Fourth Committee.

Annex

Proposed programme of work and timetable of the Special Political and Decolonization Committee (Fourth Committee) for the sixty-fifth session of the General Assembly

Agenda items	*Dates for consideration*
Organization of work	Thursday, 30 September 2010, morning (1 meeting)
Information from Non-Self-Governing Territories transmitted under Article 73 *e* of the Charter of the United Nations	Monday, 4 October, afternoon
Economic and other activities which affect the interests of the peoples of the Non-Self-Governing Territories	Tuesday, 5 October, afternoon
Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations	Wednesday, 6 October, afternoon
Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories	Thursday, 7 October, afternoon
Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples	Friday, 8 October, afternoon (5 meetings)
International cooperation in the peaceful uses of outer space (interactive dialogue followed by a general debate)	Tuesday, 12 October, morning
	Wednesday, 13 October, morning
	Thursday, 14 October, morning
	Friday, 15 October, morning (4 meetings)
Questions relating to information (interactive dialogue followed by a general debate)	Tuesday, 19 October, afternoon
	Wednesday, 20 October, afternoon
	Thursday, 21 October, afternoon (3 meetings)

Agenda items	*Dates for consideration*
Comprehensive review of the whole question of peacekeeping operations in all their aspects (interactive dialogue followed by a general debate)	Friday, 22 October, morning
	Monday, 25 October, morning
	Tuesday, 26 October, morning
	Wednesday, 27 October, morning (4 meetings)
Effects of atomic radiation (interactive dialogue followed by a general debate)	Thursday, 28 October, morning (1 meeting)
United Nations Relief and Works Agency for Palestine Refugees in the Near East (question and answer period followed by a general debate)	Monday, 1 November, afternoon
	Tuesday, 2 November, afternoon
	Wednesday, 3 November, morning (3 meetings)
Report of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories	Friday, 5 November, morning
	Monday, 8 November, morning
	Tuesday, 9 November, morning (3 meetings)
Revitalization of the work of the General Assembly (draft programme of work for the next session)	Wednesday, 10 November, morning (1 meeting)
Programme planning	
Action on all pending draft resolutions and decisions	
Total	**25 meetings**

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General Assembly

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Sixty-fourth session
Agenda item 133

Programme planning

Report of the Special Political and Decolonization Committee (Fourth Committee)

Rapporteur: Mr. Khalid Mohammed Osman **Ali** (Sudan)

1. At its 2nd plenary meeting, on 18 September 2009, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fourth session the item entitled "Programme planning" and to allocate it to the Special Political and Decolonization Committee (Fourth Committee) as well as to all the other Main Committees and the plenary of the Assembly to enhance discussion of evaluation, planning, budgeting and monitoring reports.

2. The need did not arise for the Fourth Committee to take up this item during the main part of the sixty-fourth session of the General Assembly.

09-54028 (E) 041209

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United Nations A/64/416

General Assembly

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20 November 2009

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Sixty-fourth session
Agenda item 40

Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources

Report of the Second Committee

Rapporteur: Ms. Denise **McQuade** (Ireland)

I. Introduction

1. At its 2nd plenary meeting, on 18 September 2009, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fourth session the item entitled "Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources" and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 22nd, 30th and 34th meetings, on 27 October and on 3 and 12 November 2009. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/64/SR.22, 30 and 34). Attention is also drawn to the general debate held by the Committee at its 2nd to 7th meetings, from 5 to 7 October (see A/C.2/64/SR.2-7).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Relevant chapters of the report of the Economic and Social Council for 2009;[1]

(b) Note by the Secretary-General transmitting the report prepared by the Economic and Social Commission for Western Asia on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian

[1] A/64/3; for the final text see *Official Records of the General Assembly, Sixty-fourth Session, Supplement No. 3* (A/64/3/Rev.1).

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people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan (A/64/77-E/2009/13);

(c) Letter dated 30 September 2009 from the Permanent Representative of the Sudan to the United Nations addressed to the Secretary-General (A/64/489).

4. At the 22nd meeting, on 27 October, the Director of the United Nations Regional Commissions New York Office made an introductory statement (see A/C.2/64/SR.22).

5. At the same meeting, pursuant to section C, paragraph 3 (d), of General Assembly resolution 58/316, the Committee held a dialogue with the representative of the Secretariat, during which comments were made and questions were posed by the representative of the Syrian Arab Republic and the observer for Palestine, to which the Director of the Regional Commissions New York Office responded (see A/C.2/64/SR.22).

II. Consideration of draft resolution A/C.2/64/L.12

6. At the 30th meeting, on 3 November, the representative of Egypt, on behalf of Algeria, Bahrain, Djibouti, Egypt, Indonesia, Iraq, Jordan, Kuwait, Lebanon, Malaysia, Mauritania, Morocco, Nicaragua, Oman, Qatar, Saudi Arabia, Somalia, the Sudan, Tunisia, the United Arab Emirates, Yemen and Palestine,[2] introduced a draft resolution entitled "Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources" (A/C.2/64/L.12). Subsequently, Bolivia (Plurinational State of), the Comoros, Cuba, Ecuador, the Libyan Arab Jamahiriya, Senegal, South Africa and Venezuela (Bolivarian Republic of) joined in sponsoring the draft resolution.

7. At the 34th meeting, on 12 November, the Secretary of the Committee orally corrected footnote 7 of the draft resolution.

8. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

9. Also at the same meeting, the representative of Egypt informed the Committee that Brunei Darussalam, Namibia and Pakistan had joined in sponsoring the draft resolution.

10. Also at its 34th meeting, the Committee adopted draft resolution A/C.2/64/L.12, as orally corrected, by a recorded vote of 152 to 9 with 3 abstentions (see para. 13). The voting was as follows:[3]

In favour:

Afghanistan, Albania, Algeria, Andorra, Angola, Antigua and Barbuda, Argentina, Armenia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belarus, Belgium, Belize, Benin, Bhutan, Bolivia (Plurinational State of), Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria,

[2] In accordance with General Assembly resolution 52/250.

[3] Subsequently, the delegations of the Dominican Republic, Ecuador, Ethiopia and Kazakhstan indicated that, had they been present, they would have voted in favour and the delegation of Fiji indicated that it had intended to abstain.

Burkina Faso, Burundi, Cambodia, Cape Verde, Chile, China, Colombia, Comoros, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Djibouti, Dominica, Egypt, El Salvador, Eritrea, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Oman, Pakistan, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Singapore, Slovakia, Slovenia, Solomon Islands, South Africa, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Togo, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Australia, Canada, Fiji, Israel, Marshall Islands, Micronesia (Federated States of), Nauru, Palau, United States of America.

Abstaining:

Cameroon, Côte d'Ivoire, Panama.

11. Before the vote, a statement in explanation of vote was made by the representative of Israel (see A/C.2/64/SR.34).

12. Also at the 34th meeting, a statement was made by the observer for Palestine (see A/C.2/64/SR.34).

III. Recommendation of the Second Committee

13. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources

The General Assembly,

Recalling its resolution 63/201 of 19 December 2008, and taking note of Economic and Social Council resolution 2009/34 of 31 July 2009,

Recalling also its resolutions 58/292 of 6 May 2004 and 59/251 of 22 December 2004,

Reaffirming the principle of the permanent sovereignty of peoples under foreign occupation over their natural resources,

Guided by the principles of the Charter of the United Nations, affirming the inadmissibility of the acquisition of territory by force, and recalling relevant Security Council resolutions, including resolutions 242 (1967) of 22 November 1967, 465 (1980) of 1 March 1980 and 497 (1981) of 17 December 1981,

Recalling its resolution 2625 (XXV) of 24 October 1970,

Reaffirming the applicability of the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949,[1] to the Occupied Palestinian Territory, including East Jerusalem, and other Arab territories occupied by Israel since 1967,

Recalling, in this regard, the International Covenant on Civil and Political Rights[2] and the International Covenant on Economic, Social and Cultural Rights,[2] and affirming that these human rights instruments must be respected in the Occupied Palestinian Territory, including East Jerusalem, as well as in the occupied Syrian Golan,

Recalling also the advisory opinion rendered on 9 July 2004 by the International Court of Justice on the *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*,[3] and recalling further its resolutions ES-10/15 of 20 July 2004 and ES-10/17 of 15 December 2006,

Expressing its concern at the exploitation by Israel, the occupying Power, of the natural resources of the Occupied Palestinian Territory, including East Jerusalem, and other Arab territories occupied by Israel since 1967,

Expressing its grave concern at the extensive destruction by Israel, the occupying Power, of agricultural land and orchards in the Occupied Palestinian

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[1] United Nations, *Treaty Series*, vol. 75, No. 973.

[2] See resolution 2200 A (XXI), annex.

[3] See A/ES-10/273 and Corr.1; see also *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory, Advisory Opinion, I.C.J. Reports 2004*, p. 136.

Territory, including the uprooting of a vast number of fruit-bearing trees and the destruction of farms and greenhouses,

Expressing its concern at the widespread destruction caused by Israel, the occupying Power, to vital infrastructure, including water pipelines and sewage networks, in the Occupied Palestinian Territory, in particular in the Gaza Strip in the recent period, which, inter alia, pollutes the environment and negatively affects the water supply and other natural resources of the Palestinian people,

Taking note in this regard of the recent report by the United Nations Environment Programme regarding the grave environmental situation in the Gaza Strip,[4] and stressing the need for follow-up of the recommendations therein,

Aware of the detrimental impact of the Israeli settlements on Palestinian and other Arab natural resources, especially as a result of the confiscation of land and the forced diversion of water resources, and of the dire socio-economic consequences in this regard,

Aware also of the detrimental impact on Palestinian natural resources being caused by the unlawful construction of the wall by Israel, the occupying Power, in the Occupied Palestinian Territory, including in and around East Jerusalem, and of its grave effect as well on the economic and social conditions of the Palestinian people,

Reaffirming the need for the resumption and advancement of negotiations within the Middle East peace process, on the basis of Security Council resolutions 242 (1967) of 22 November 1967, 338 (1973) of 22 October 1973, 425 (1978) of 19 March 1978 and 1397 (2002) of 12 March 2002, the principle of land for peace, the Arab Peace Initiative,[5] and the Quartet performance-based road map to a permanent two-State solution to the Israeli-Palestinian conflict,[6] as endorsed by the Security Council in its resolution 1515 (2003) of 19 November 2003 and supported by the Council in its resolution 1850 (2008) of 16 December 2008, for the achievement of a final settlement on all tracks,

Noting the Israeli withdrawal from within the Gaza Strip and parts of the northern West Bank and the importance of the dismantlement of settlements therein in the context of the road map,

Stressing the need for respect and preservation of the territorial unity, contiguity and integrity of all of the Occupied Palestinian Territory, including East Jerusalem,

Recalling the need to end all acts of violence, including acts of terror, provocation, incitement and destruction,

Taking note of the note by the Secretary-General transmitting the report prepared by the Economic and Social Commission for Western Asia on the economic and social repercussions of the Israeli occupation on the living conditions

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[4] United Nations Environment Programme, *Environmental Assessment of the Gaza Strip following the Escalation of Hostilities in December 2008-January 2009* (Nairobi, 2009).

[5] A/56/1026-S/2002/932, annex II, resolution 14/221.

[6] See S/2003/529, annex.

of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan,[7]

1. *Reaffirms* the inalienable rights of the Palestinian people and the population of the occupied Syrian Golan over their natural resources, including land and water;

2. *Demands* that Israel, the occupying Power, cease the exploitation, damage, cause of loss or depletion of, or endangerment of the natural resources in the Occupied Palestinian Territory, including East Jerusalem, and in the occupied Syrian Golan;

3. *Recognizes* the right of the Palestinian people to claim restitution as a result of any exploitation, damage, loss or depletion, or endangerment of their natural resources resulting from illegal measures taken by Israel, the occupying Power, in the Occupied Palestinian Territory, including East Jerusalem, and expresses the hope that this issue will be dealt with in the framework of the final status negotiations between the Palestinian and Israeli sides;

4. *Stresses* that the wall being constructed by Israel in the Occupied Palestinian Territory, including in and around East Jerusalem, is contrary to international law and is seriously depriving the Palestinian people of their natural resources, and calls in this regard for full compliance with the legal obligations mentioned in the 9 July 2004 advisory opinion of the International Court of Justice[3] and in resolution ES-10/15;

5. *Calls upon* Israel, the occupying Power, to comply strictly with its obligations under international law, including international humanitarian law, with respect to the alteration of the character and status of the Occupied Palestinian Territory, including East Jerusalem;

6. *Also calls upon* Israel, the occupying Power, to cease all actions harming the environment, including the dumping of all kinds of waste materials in the Occupied Palestinian Territory, including East Jerusalem, and in the occupied Syrian Golan, which gravely threaten their natural resources, namely water and land resources, and which pose an environmental, sanitation and health threat to the civilian populations;

7. *Further calls upon* Israel to cease its destruction of vital infrastructure, including water pipelines and sewage networks, which, inter alia, has a negative impact on the natural resources of the Palestinian people;

8. *Requests* the Secretary-General to report to it at its sixty-fifth session on the implementation of the present resolution, and decides to include in the provisional agenda of its sixty-fifth session the item entitled "Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources".

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[7] A/64/77-E/2009/13.

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General Assembly

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Sixty-fourth session
Agenda item 50

Information and communication technologies for development

Report of the Second Committee

Rapporteur: Ms. Denise **McQuade** (Ireland)

I. Introduction

1. At its 2nd plenary meeting, on 18 September 2009, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fourth session the item entitled "Information and communication technologies for development" and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 22nd, 23rd, 30th, 33rd, 34th and 41st meetings, on 27 and 28 October, 3, 10 and 12 November and 9 December 2009. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/64/SR.22, 23, 30, 33, 34 and 41). Attention is also drawn to the general debate held by the Committee at its 2nd to 7th meetings, from 5 to 7 October (see A/C.2/64/SR.2-7).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the Secretary-General on progress made in the implementation of and follow-up to the World Summit on the Information Society outcomes at the regional and international levels (A/64/64-E/2009/10);

(b) Letter dated 6 March 2009 from the representative of the Sudan to the Secretary-General (A/64/65);

(c) Letter dated 30 September 2009 from the representative of the Sudan to the Secretary-General (A/64/489).

4. At the 22nd meeting, on 27 October, an introductory statement was made by the Chief of the Science and Technology Section of the Division on Technology and Logistics, United Nations Conference on Trade and Development (see A/C.2/64/SR.22).

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II. Consideration of proposals

A. Draft resolution A/C.2/64/L.11

5. At the 30th meeting, on 3 November, the representative of Azerbaijan, on behalf of Afghanistan, Belarus, Bulgaria, Canada, China, Estonia, Georgia, Germany, Iran (Islamic Republic of), Kazakhstan, Kuwait, Pakistan, Portugal, Qatar, the Republic of Korea, the Republic of Moldova, the Russian Federation, the Syrian Arab Republic, Tajikistan, Turkey, Ukraine and Uzbekistan, introduced a draft resolution entitled "Building connectivity through the Trans-Eurasian Information Super Highway" (A/C.2/64/L.11).

6. At its 34th meeting, on 12 November, the Committee was informed that the draft resolution had no programme budget implications.

7. At the same meeting, the representative of Azerbaijan orally corrected the draft resolution and announced that Australia, Finland, Iraq, Israel, Lithuania, Luxembourg, Slovenia and Switzerland had joined in sponsoring the draft resolution. Subsequently, India, Japan, the United Republic of Tanzania and the United States of America joined in sponsoring the draft resolution.

8. Also at its 34th meeting, the Committee adopted draft resolution A/C.2/64/L.11, as orally corrected (see para. 16, draft resolution I).

B. Draft resolutions A/C.2/64/L.26 and A/C.2/64/L.62

9. At the 33rd meeting, on 10 November, the representative of the Sudan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Information and communication technologies for development" (A/C.2/64/L.26), which read:

"*The General Assembly*,

"*Recalling* its resolutions 56/183 of 21 December 2001, 57/238 of 20 December 2002, 57/270 B of 23 June 2003, 59/220 of 22 December 2004, 60/252 of 27 March 2006 and 62/182 of 19 December 2007, Economic and Social Council resolution 2008/3 of 18 July 2008, 63/202 of 19 December 2008 and other relevant resolutions,

"*Noting* that cultural diversity is the common heritage of humankind and that the information society should be founded on and stimulate respect for cultural identity, cultural and linguistic diversity, traditions and religions, and foster dialogue among cultures and civilizations, and noting also that the promotion, affirmation and preservation of diverse cultural identities and languages as reflected in relevant agreed United Nations documents, including the Universal Declaration on Cultural Diversity of the United Nations Educational, Scientific and Cultural Organization, will further enrich the information society,

"*Recalling* the Declaration of Principles and the Plan of Action adopted by the World Summit on the Information Society at its first phase, held in Geneva from 10 to 12 December 2003, as endorsed by the General Assembly, and the Tunis Commitment and the Tunis Agenda for the Information Society

adopted by the Summit at its second phase, held in Tunis from 16 to 18 November 2005, and endorsed by the General Assembly,

"*Recalling also* the 2005 World Summit Outcome,

"*Taking note* of the 2009 report of the Secretary-General on progress made in the implementation of and follow-up to the World Summit on the Information Society outcomes at the regional and international levels,

"*Welcoming* the efforts undertaken by Tunisia, host of the second phase of the World Summit on the Information Society in collaboration with the United Nations Conference on Trade and Development, the International Telecommunication Union and other relevant international and regional organizations, for organizing annually the ICT 4 All Forum and technological exhibition as a platform within the framework of the follow-up to the World Summit to promote a dynamic business environment for the information and communication technologies sector worldwide,

"*Stressing* the need to reduce the digital divide and to ensure that the benefits of new technologies, especially information and communication technologies, are available to all,

"*Recognizing* the importance of the mandate of the Internet Governance Forum in the discussion of public policy issues related to key elements of Internet governance in order to foster the sustainability, robustness, security, stability and development of the Internet,

"*Recalling* paragraphs 69 and 71 of the Tunis Agenda for the Information Society, adopted by the World Summit on the Information Society on 18 November 2005, on the process of enhanced cooperation to enable governments, on an equal footing, to carry out their roles and responsibilities in international public policy issues pertaining to the Internet,

"*Recalling* also the first to fourth meetings of the Internet Governance Forum, held in Athens from 30 October to 2 November 2006, in Rio de Janeiro, Brazil, from 12 to 15 November 2007, in Hyderabad, India, from 3 to 6 December 2008, in Sharm el-Sheikh, Egypt, from 15 to 18 November 2009, respectively, and welcoming the convening of the fifth meeting of the Forum in Vilnius in 2010,

"*Welcoming*, in view of the existing gaps in information and communication technologies infrastructure across Africa, the first and second Summits of Connect Africa, held in Kigali on 29 and 30 October 2007 and in Cairo on 14 May 2008, an initiative aimed at mobilizing human, financial and technical resources to accelerate the implementation of the connectivity goals of the World Summit on the Information Society,

"*Recognizing* the role of the Commission on Science and Technology for Development in assisting the Economic and Social Council as the focal point in the system-wide follow-up, in particular the review and assessment, of progress made in implementing the outcomes of the World Summit on the Information Society, while at the same time maintaining its original mandate on science and technology for development,

"*Noting* the contribution of the Global Alliance for Information and Communication Technologies and Development to the Commission on Science and Technology for Development,

"*Noting also* the intersessional meeting of the Commission, held in Santiago from 12 to 14 November 2008, and the twelfth session of the Commission, held in Geneva from 25 to 29 May 2009,

"*Taking note* of Economic and Social Council resolution 2009/7 of 24 July 2009 on assessment of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society,

"*Stressing* that, for the majority of the poor, the developmental promise of science and technology, including information and communication technologies, remains unfulfilled, and emphasizing the need to effectively harness technology, including information and communication technologies, to bridge the digital divide,

"*Recognizing* the pivotal role of the United Nations system in promoting development, including with respect to enhancing access to information and communication technologies, inter alia, through partnerships with all relevant stakeholders,

"1. *Recognizes* that information and communication technologies have the potential to provide new solutions to development challenges, particularly in the context of globalization, and can foster economic growth, competitiveness, access to information and knowledge, poverty eradication and social inclusion that will help to expedite the integration of all countries, particularly developing countries, into the global economy;

"2. *Stresses* the important role of Governments in the design of public policies and in the provision of public services responsive to national needs and priorities through, inter alia, making effective use of information and communication technologies, on the basis of a multi-stakeholder approach, to support national development efforts;

"3. *Recognizes* that, in addition to financing by the public sector, financing of information and communication technologies infrastructure by the private sector has come to play an important role in many countries and that domestic financing is being augmented by North-South flows and South-South cooperation;

"4. *Also recognizes* that information and communication technologies present new opportunities and challenges, and that there is a pressing need to address the major impediments that developing countries face in accessing the new technologies, such as insufficient resources, infrastructure, education, capacity, investment and connectivity and issues related to technology ownership, standards and flows, and in this regard calls upon all stakeholders to provide adequate resources, enhanced capacity-building and technology transfer, on mutually agreed terms, to developing countries, particularly the least developed countries;

"5. *Further recognizes* the immense potential that information and communication technologies have in promoting the transfer of technologies in a wide spectrum of socio-economic activity;

"6. *Acknowledges* that a gender divide exists as part of the digital divide, and encourages all stakeholders to ensure the full participation of women in the information society and women's access to the new technologies, especially information and communication technologies for development;

"7. *Recalls* the improvements and innovations in financing mechanisms, including the creation of a voluntary Digital Solidarity Fund, as mentioned in the Geneva Declaration of Principles, and, in this regard, invites voluntary contributions to its financing;

"8. *Recognizes* that South-South cooperation, particularly through triangular cooperation, can be a useful tool to promote the development of information and communication technologies;

"9. *Encourages* strengthened and continuing cooperation between and among stakeholders to ensure effective implementation of the outcomes of the Geneva and Tunis phases of the World Summit on the Information Society, through, inter alia, the promotion of national, regional and international multi-stakeholder partnerships, including public-private partnerships, and the promotion of national and regional multi-stakeholder thematic platforms, in a joint effort and dialogue with developing and least developed countries, development partners and actors in the information and communication technologies sector;

"10. *Also encourages* the United Nations funds and programmes and the specialized agencies, within their respective mandates, to contribute to the implementation of the outcomes of the World Summit on the Information Society, and emphasizes the need for resources in this regard;

"11. *Recognizes* the urgent need to harness the potential of knowledge and technology, and in that regard encourages the United Nations development system to continue its effort to promote the use of information and communication technologies as a critical enabler of development and a catalyst for the achievement of the internationally agreed development goals, including the Millennium Development Goals;

"12. *Requests* the Secretary-General to submit to the Economic and Social Council at its substantive session of 2010, on the basis of consultations with all relevant organizations, a specific report containing recommendations on how the process towards enhanced cooperation should be pursued;

"13. *Invites* Member States to support the meaningful participation of stakeholders from developing countries in the preparatory meetings of the Internet Governance Forum and in the Forum itself in 2009 and 2010, and to consider contributing to the multi-stakeholder trust fund created for the Forum, as appropriate;

"14. *Requests* the Secretary-General to consider providing from the regular budget the necessary support to ensure the sustainability of the core activities and operations of the secretariat of the Internet Governance Forum, in order to carry out its programme of activities in accordance with its mandate;

"15. *Requests* the Commission on Science and Technology for Development, during its thirteenth session, which will take place in May 2010, to organize a discussion with the Heads of the relevant United Nations entities involved in the implementation of the World Summit on the Information Society outcomes, with a view to preparing a review by the Commission of the five-year progress made towards implementation of those outcomes, including modalities of implementation and follow-up, and encourages all relevant United Nations agencies, including the regional commission and action-line facilitators, to contribute to this effort;

"16. *Requests* the Secretary-General to submit to the General Assembly at its sixty-fifth session, through the Economic and Social Council, a report on the review of the five-year progress made towards implementation of the World Summit on the Information Society outcomes."

10. At its 41st meeting, on 9 December, the Committee had before it a draft resolution entitled "Information and communication technologies for development" (A/C.2/64/L.62), submitted by the Vice-Chairperson of the Committee, Mohamed Chérif Diallo (Guinea), on the basis of informal consultations on draft resolution A/C.2/64/L.26.

11. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

12. Also at the same meeting, a statement was made by the Vice-Chairperson, in the course of which he orally corrected draft resolution A/C.2/64/L.62 (see A/C.2/64/SR.41).

13. Also at its 41st meeting, the Committee adopted draft resolution A/C.2/64/L.62, as orally corrected (see para. 16, draft resolution II).

14. Following the adoption of the draft resolution, a statement was made by the representative of the Sudan on behalf of the States Members of the United Nations that are members of the Group of 77 and China.

15. In the light of the adoption of draft resolution A/C.2/64/L.62, draft resolution A/C.2/64/L.26 was withdrawn by its sponsors.

III. Recommendations of the Second Committee

16. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Building connectivity through the Trans-Eurasian Information Super Highway

The General Assembly,

Recalling the Declaration of Principles and the Plan of Action adopted by the World Summit on the Information Society, held in Geneva from 10 to 12 December 2003,[1] and endorsed by the General Assembly,[2] and the Tunis Commitment and the Tunis Agenda for the Information Society adopted by the Summit at its second phase, held in Tunis from 16 to 18 November 2005,[3] and endorsed by the General Assembly,[4]

Recalling also the 2005 World Summit Outcome,[5]

Stressing the need to reduce the digital divide and to ensure that the benefits of new technologies, especially information and communication technologies, are available to all,

Noting that Governments, as well as the private sector, civil society and the United Nations, and other international organizations, have an important role in bridging the digital divide for the benefit of all and in building an inclusive and people-centred information society,

Recognizing that well-developed information and communication network infrastructures, such as information superhighways, act as one of the main technological enablers of the digital opportunities, and noting, in this regard, the Regional Ministerial Meeting on the Trans-Eurasian Information Super Highway convened by the Government of Azerbaijan in cooperation with the Department of Economic and Social Affairs of the United Nations Secretariat, held in Baku, Azerbaijan, on 11 November 2008,

1. *Recognizes* that information and communication technologies have the potential to provide new solutions to development challenges, particularly in the context of globalization, and can foster economic growth, competitiveness, access to information and knowledge, poverty eradication and social inclusion that will help to expedite the integration of all countries, particularly developing countries, in the global economy;

2. *Also recognizes* the immense potential that building connectivity can have in contributing to social progress, including in advancing the status of women and promoting social integration and tolerance;

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[1] See A/C.2/59/3, annex.
[2] See resolution 59/220.
[3] See A/60/687.
[4] See resolution 60/252.
[5] See resolution 60/1.

3. *Stresses* the importance of strengthened and continued cooperation among all stakeholders to build and run information infrastructures to bridge the digital divide in the region, and encourages interested Member States to participate in the development of regional connectivity solutions;

4. *Recognizes* the need to build connectivity in the region to help to bridge the digital divide, and in this regard welcomes the Trans-Eurasian Information Super Highway initiative and the readiness of the Republic of Azerbaijan to coordinate regional efforts aimed at realizing this initiative.

Draft resolution II
Information and communication technologies for development

The General Assembly,

Recalling its resolutions 56/183 of 21 December 2001, 57/238 of 20 December 2002, 57/270 B of 23 June 2003, 59/220 of 22 December 2004, 60/252 of 27 March 2006 and 62/182 of 19 December 2007, Economic and Social Council resolution 2008/3 of 18 July 2008, its resolution 63/202 of 19 December 2008 and other relevant resolutions,

Noting that cultural diversity is the common heritage of humankind and that the information society should be founded on and stimulate respect for cultural identity, cultural and linguistic diversity, traditions and religions, and foster dialogue among cultures and civilizations, and noting also that the promotion, affirmation and preservation of diverse cultural identities and languages as reflected in relevant agreed United Nations documents, including the Universal Declaration on Cultural Diversity of the United Nations Educational, Scientific and Cultural Organization,[1] will further enrich the information society,

Recalling the Declaration of Principles and the Plan of Action adopted by the World Summit on the Information Society at its first phase, held in Geneva from 10 to 12 December 2003,[2] as endorsed by the General Assembly,[3] and the Tunis Commitment and the Tunis Agenda for the Information Society adopted by the Summit at its second phase, held in Tunis from 16 to 18 November 2005,[4] and endorsed by the General Assembly,[5]

Recalling also the 2005 World Summit Outcome,[6]

Taking note of the report of the Secretary-General on progress made in the implementation of and follow-up to the World Summit on the Information Society outcomes at the regional and international levels,[7]

Stressing the need to reduce the digital divide and to ensure that the benefits of new technologies, especially information and communication technologies, are available to all,

Recognizing the importance of the mandate of the Internet Governance Forum, as a multi-stakeholder dialogue to discuss various matters, including, inter alia, public policy issues related to key elements of Internet governance, in order to foster the sustainability, robustness, security, stability and development of the Internet, and reiterating that all Governments, on an equal footing, should carry out their roles and responsibilities for international Internet governance and for ensuring the stability, security and continuity of the Internet, but not in the day-to-day

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[1] United Nations Educational, Scientific and Cultural Organization, *Records of the General Conference, Thirty-first Session, Paris, 15 October-3 November 2001*, vol. 1 and corrigendum, *Resolutions*, chap. V, resolution 25, annex I.

[2] See A/C.2/59/3, annex.

[3] See resolution 59/220.

[4] See A/60/687.

[5] See resolution 60/252.

[6] See resolution 60/1.

[7] A/64/64-E/2009/10.

technical and operational matters that do not impact on international public policy issues,

Taking note of the discussions at the fourth meeting of the Internet Governance Forum, held in Sharm-el-Sheik, Egypt, from 15 to 18 November 2009 on the future of the Forum, which generally welcomed the renewal of its mandate and recognized the need for further discussion on improvement of its working methods,

Recalling the first, second, third and fourth meetings of the Internet Governance Forum, held in Athens in October and November 2006, in Rio de Janeiro, Brazil, in November 2007, in Hyderabad, India, in December 2008, and in Sharm-el-Sheikh, Egypt, in November 2009, respectively, and welcoming the convening of the fifth meeting of the Forum, to be held in Vilnius in 2010,

Welcoming, in view of the existing gaps in information and communication technologies infrastructure, the Summits of Connect Africa held in Kigali in October 2007 and in Cairo in May 2008 and the Connect the Commonwealth of Independent States Summit held in Minsk in November 2009, which are regional initiatives aimed at mobilizing human, financial and technical resources to accelerate the implementation of the connectivity goals of the World Summit on the Information Society,

Recognizing the role of the Commission on Science and Technology for Development in assisting the Economic and Social Council as the focal point in the system-wide follow-up, in particular the review and assessment, of progress made in implementing the outcomes of the World Summit on the Information Society, while at the same time maintaining its original mandate on science and technology for development,

Noting the contribution of the Global Alliance for Information and Communication Technologies and Development to the Commission on Science and Technology for Development,

Noting also the twelfth session of the Commission, held in Geneva from 25 to 29 May 2009, and the intersessional meeting of the Commission held in Geneva from 9 to 11 November 2009,

Taking note of Economic and Social Council resolution 2009/7 of 24 July 2009, on assessment of the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society,

Stressing that, for the majority of the poor, the developmental promise of science and technology, including information and communication technologies, remains unfulfilled, and emphasizing the need to effectively harness technology, including information and communication technologies, to bridge the digital divide,

Recognizing the pivotal role of the United Nations system in promoting development, including with respect to enhancing access to information and communication technologies, inter alia, through partnerships with all relevant stakeholders,

1. *Recognizes* that information and communication technologies have the potential to provide new solutions to development challenges, particularly in the context of globalization, and can foster economic growth, competitiveness, access to information and knowledge, poverty eradication and social inclusion that will help

to expedite the integration of all countries, particularly developing countries, into the global economy;

2. *Stresses* the important role of Governments in the design of public policies and in the provision of public services responsive to national needs and priorities through, inter alia, making effective use of information and communication technologies, on the basis of a multi-stakeholder approach, to support national development efforts;

3. *Recognizes* that, in addition to financing by the public sector, financing of information and communication technologies infrastructure by the private sector has come to play an important role in many countries and that domestic financing is being augmented by North-South flows and South-South cooperation;

4. *Also recognizes* that information and communication technologies present new opportunities and challenges, and that there is a pressing need to address the major impediments that developing countries face in accessing the new technologies, such as insufficient resources, infrastructure, education, capacity, investment and connectivity and issues related to technology ownership, standards and flows, and in this regard calls upon all stakeholders to provide adequate resources, enhanced capacity-building and technology transfer, on mutually agreed terms, to developing countries, particularly the least developed countries;

5. *Further recognizes* the immense potential that information and communication technologies have in promoting the transfer of technologies in a wide spectrum of socio-economic activity;

6. *Acknowledges* that a gender divide exists as part of the digital divide and encourages all stakeholders to ensure the full participation of women in the information society and women's access to the new technologies, especially information and communication technologies for development;

7. *Recalls* the improvements and innovations in financing mechanisms, including the creation of a voluntary Digital Solidarity Fund, as mentioned in the Geneva Declaration of Principles,[2] and in this regard invites voluntary contributions to its financing;

8. *Recognizes* that South-South cooperation, particularly through triangular cooperation, can be a useful tool to promote the development of information and communication technologies;

9. *Encourages* strengthened and continuing cooperation between and among stakeholders to ensure effective implementation of the outcomes of the Geneva[2] and Tunis[4] phases of the World Summit on the Information Society, through, inter alia, the promotion of national, regional and international multi-stakeholder partnerships, including public-private partnerships, and the promotion of national and regional multi-stakeholder thematic platforms, in a joint effort and dialogue with developing and least developed countries, development partners and actors in the information and communication technologies sector;

10. *Welcomes* the efforts undertaken by Tunisia, host of the second phase of the World Summit on the Information Society in collaboration with the United Nations Conference on Trade and Development, the International Telecommunication Union and other relevant international and regional organizations, for organizing annually the ICT 4 All Forum and technological exhibition as a platform within the

framework of the follow-up to the Summit to promote a dynamic business environment for the information and communication technologies sector worldwide;

11. *Encourages* the United Nations funds and programmes and the specialized agencies, within their respective mandates, to contribute to the implementation of the outcomes of the World Summit on the Information Society, and emphasizes the need for resources in this regard;

12. *Notes* the organization of the World Summit on the Information Society Forum 2009 by the International Telecommunication Union, the United Nations Conference on Trade and Development, the United Nations Development Programme and the United Nations Educational, Scientific and Cultural Organization to facilitate interaction among actors implementing the Summit's action lines, and invites the organizers to fully engage Governments, international organizations, civil society and the private sector in the preparations for the World Summit on the Information Society Forum 2010, to be held from 10 to 14 May 2010 in Geneva;

13. *Recognizes* the urgent need to harness the potential of knowledge and technology, and in that regard encourages the United Nations development system to continue its effort to promote the use of information and communication technologies as a critical enabler of development and a catalyst for the achievement of the internationally agreed development goals, including the Millennium Development Goals;

14. *Also recognizes* the role of the United Nations Group on the Information Society as an inter-agency mechanism of the Chief Executives Board for Coordination designed to coordinate United Nations implementation of the World Summit on the Information Society outcomes;

15. *Invites* the Economic and Social Council to consider the report of the Secretary-General on enhanced cooperation on public policy issues pertaining to the Internet;[8]

16. *Invites* Member States to support the meaningful participation of stakeholders from developing countries in the preparatory meetings of the Internet Governance Forum and in the Forum itself in 2010;

17. *Encourages* Member States, the private sector and all other relevant stakeholders to consider strengthening the secretariat of the Internet Governance Forum in order to support its activities and operations, in accordance with its mandate, including by providing additional funds, where possible, to the Trust Fund in support of the secretariat;

18. *Requests* the Commission, during its thirteenth session, which will be held at the halfway point to the 2015 overall review, to organize a substantive discussion on the progress made over five years in the implementation of the Summit outcomes, including consideration of the modalities of implementation and follow-up to the Summit, and invites all facilitators and stakeholders to take this into account with regard to their contribution to that session;

[8] E/2009/92.

19. *Requests* the Secretary-General to submit to the General Assembly at its sixty-fifth session, through the Economic and Social Council, a report on the status of the implementation of and follow-up to the present resolution.

United Nations A/64/418

General Assembly

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Sixty-fourth session
Agenda item 51

Macroeconomic policy questions

Report of the Second Committee*

Rapporteur: Ms. Denise **McQuade** (Ireland)

1. At its 2nd plenary meeting, on 18 September 2009, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fourth session the item entitled:

"Macroeconomic policy questions:

"(a) International trade and development;

"(b) International financial system and development;

"(c) External debt and development: towards a durable solution to the debt problems of developing countries;

"(d) Commodities"

and to allocate it to the Second Committee.

2. The Second Committee held a substantive debate jointly on sub-items (b) to (d) at its 8th, 9th and 10th meetings, on 12, 13 and 14 October 2009, and on sub-item (a) at its 25th and 26th meetings, on 29 and 30 October. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/64/SR.8, 9, 10, 25 and 26). Attention is also drawn to the general debate held by the Committee at its 2nd to 7th meetings, from 5 to 7 October (see A/C.2/64/SR.2-7). An account of the Committee's further consideration of the item will be given in the addenda to the present report.

3. For its consideration of the item, the Committee had before it the following documents:

* The report of the Committee on this item is being issued in five parts, under the symbol A/64/418 and Add.1-4.

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Item 51
Macroeconomic policy questions

Letter dated 6 March 2009 from the representative of the Sudan to the Secretary-General (A/64/65)

Letter dated 12 May 2009 from the representative of Namibia to the Secretary-General (A/64/81)

Letter dated 30 September 2009 from the representative of the Sudan to the Secretary-General (A/64/489)

Item 51 (a)
International trade and development

Report of the Trade and Development Board on its forty-fifth executive session, Geneva, 13 November 2008 (A/64/15 (Part I))[1]

Report of the Trade and Development Board on its forty-sixth executive session, Geneva, 27 March 2009 (A/64/15 (Part II))[1]

Report of the Trade and Development Board on its forty-seventh executive session, Geneva, 30 June 2009 (A/64/15 (Part III))[1]

Report of the Trade and Development Board on its fifty-sixth annual session, Geneva, 14-25 September 2009 (A/64/15 (Part IV))[1]

Report of the Secretary-General on international trade and development (A/64/177)

Report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/64/179)

Item 51 (b)
International financial system and development

Report of the Secretary-General on the international financial system and development (A/64/178)

Item 51 (c)
External debt and development: towards a durable solution to the debt problems of developing countries

Report of the Secretary-General entitled "Towards a durable solution to the debt problems of developing countries" (A/64/167)

Item 51 (d)
Commodities

Note by the Secretary-General transmitting the report prepared by the secretariat of the United Nations Conference on Trade and Development on world commodity trends and prospects (A/64/184)

4. At the 8th meeting, on 12 October, introductory statements were made under sub-items (b) to (d) by the Acting Director of the Financing for Development Office

[1] To be issued in *Official Records of the General Assembly, Sixty-fourth Session, Supplement No. 15* (A/64/15).

of the Department of Economic and Social Affairs and the Chief of the Debt and Development Finance Branch of the Division on Globalization and Development Strategies of the United Nations Conference on Trade and Development (UNCTAD) (see A/C.2/64/SR.8).

5. At its 25th meeting, on 29 October, the Committee heard introductory statements under sub-item (a) by the Secretary-General of UNCTAD, the President of the Trade and Development Board and the Chief of the Committee for Development Policy Secretariat of the Development Policy and Analysis Division of the Department of Economic and Social Affairs (see A/C.2/64/SR.25).

6. At the same meeting, the Secretary-General of UNCTAD and the President of the Trade and Development Board responded to questions posed and comments made by the representatives of Ethiopia, Brazil, Pakistan, Japan, Namibia and the Comoros (see A/C.2/64/SR.25).

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Sixty-fourth session
Agenda item 51 (a)

Macroeconomic policy questions: international trade and development

Report of the Second Committee*

Rapporteur: Ms. Denise **McQuade** (Ireland)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 51 (see A/64/418, para. 2). Action on sub-item (a) was taken at the 36th, 39th, 41st and 42nd meetings, on 19 November and 4, 9 and 11 December 2009. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/64/SR.36, 39, 41 and 42).

II. Consideration of proposals

A. Draft resolution A/C.2/64/L.40

2. At the 36th meeting, on 19 November, the representative of the Sudan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International trade and development" (A/C.2/64/L.40).

3. At its 42nd meeting, on 11 December, the Committee was informed that draft resolution A/C.2/64/L.40 had no programme budget implications.

4. At the same meeting, the Committee adopted draft resolution A/C.2/64/L.40 by a recorded vote of 113 to 47, with 6 abstentions (see para. 10). The voting was as follows:

* The report of the Committee on this item is being issued in five parts, under the symbol A/64/418 and Add.1-4.

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In favour:

Afghanistan, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bhutan, Bolivia (Plurinational State of), Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Chile, China, Colombia, Comoros, Congo, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Fiji, Gabon, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Micronesia (Federated States of), Mongolia, Morocco, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Peru, Philippines, Qatar, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, Somalia, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, Turkmenistan, Uganda, United Arab Emirates, United Republic of Tanzania, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Montenegro, Netherlands, New Zealand, Poland, Portugal, Republic of Moldova, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining:

Mexico, Norway, Republic of Korea, Russian Federation, Serbia, Turkey.

5. Also at the same meeting, a statement was made before the vote by the representative of the United States; statements were made after the vote by the representatives of the Sudan (on behalf of the States Members of the United Nations that are members of the Group of 77 and China), Sweden (on behalf of the States Members of the United Nations that are members of the European Union and Albania, Montenegro and the former Yugoslav Republic of Macedonia; and Georgia, the Republic of Moldova and Ukraine), Canada (on behalf also of Australia and New Zealand), Norway, Singapore and Japan (see A/C.2/64/SR.42).

B. Draft resolution A/C.2/64/L.50

6. At the 39th meeting, on 4 December, the representative of the Sudan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Unilateral economic measures as a means of political and economic coercion against developing countries" (A/C.2/64/L.50).

7. At the 41st meeting, on 9 December, the Committee was informed that the draft resolution contained no programme budget implications.

8. At the same meeting, the Committee adopted the draft resolution by a recorded vote of 108 votes to 2, with 53 abstentions (see para. 10). The voting was as follows:[1]

In favour:

Afghanistan, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Bhutan, Bolivia (Plurinational State of), Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Chile, China, Colombia, Comoros, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Fiji, Gabon, Grenada, Guatemala, Guinea, Guyana, Haiti, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Qatar, Russian Federation, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Trinidad and Tobago, Tunisia, Turkmenistan, Uganda, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Israel, United States of America.

Abstaining:

Albania, Andorra, Australia, Austria, Belgium, Benin, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Marshall Islands, Monaco, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, San Marino, Serbia, Seychelles, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland.

9. Also at the same meeting, a statement was made before the vote by the representative of the United States. A statement was made after the vote by the representative of Sweden (on behalf of the States Members of the United Nations that are members of the European Union and Albania, Croatia, Montenegro, the former Yugoslav Republic of Macedonia and Turkey; and Georgia, the Republic of Moldova and Ukraine) (see A/C.2/64/SR.41).

[1] The delegation of the United Arab Emirates subsequently indicated that its vote in abstention had been in error and that it had intended vote in favour.

III. Recommendation of the Second Committee

10. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
International trade and development

The General Assembly,

Recalling its resolutions 56/178 of 21 December 2001, 57/235 of 20 December 2002, 58/197 of 23 December 2003, 59/221 of 22 December 2004, 60/184 of 22 December 2005, 61/186 of 20 December 2006, 62/184 of 19 December 2007 and 63/203 of 19 December 2008 on international trade and development,

Recalling also the United Nations Millennium Declaration,[1] as well as the outcomes of the International Conference on Financing for Development,[2] the World Summit on Sustainable Development,[3] the 2005 World Summit Outcome[4] and the Doha Declaration on Financing for Development,[5]

Recalling further the outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,[6]

Reaffirming the value of multilateralism to the global trading system and the commitment to achieving a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment generation in all sectors, and emphasizing that bilateral and regional trading arrangements should contribute to the goals of the multilateral trading system,

Stressing the importance of open, transparent, inclusive, democratic and more orderly processes and procedures for the effective functioning of the multilateral trading system, including in the decision-making process, so as to enable developing countries to have their vital interests duly reflected in the outcome of trade negotiations,

Reiterating that development concerns form an integral part of the Doha Development Agenda, which places the needs and interests of developing and least developed countries at the heart of the Doha Work Programme,[7]

Noting that agriculture lags behind the manufacturing sector in the process of establishment of multilateral disciplines and in the reduction of tariff and non-tariff

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex, and resolution 2, annex.

[4] See resolution 60/1.

[5] Resolution 63/239, annex.

[6] Resolution 63/303, annex.

[7] See A/C.2/56/7, annex.

barriers and that, since most of the world's poor make their living from agriculture, the livelihood and standards of living of many of them are seriously jeopardized by the serious distortions in production and trade in agricultural products caused by the high levels of export subsidies, trade-distorting domestic support and protectionism by many developed countries,

1. *Takes note* of the report of the Trade and Development Board[8] and the report of the Secretary-General;[9]

2. *Reaffirms* that international trade can be an engine for development and sustained economic growth, underlines the need to fully harness its potential in that regard, and stresses the importance of upholding a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment, particularly in developing countries;

3. *Notes with deep concern* that the world financial and economic crisis has severely impacted international trade, particularly affecting developing countries, including through the fall in exports and loss of export revenues, restricted access to trade finance and reduced export-oriented investment, which have resulted, in many cases, in lower fiscal revenues and balance-of-payment problems;

4. *Notes* that the shortage and the high cost of trade finance for developing countries contributed significantly to the reduction in trade flows during the crisis, also notes the efforts of the international community, including through the World Bank Global Trade Liquidity Programme, to ensure additional resources at affordable rates, and calls on bilateral and multilateral donors to redouble their efforts to increase the availability and affordability of trade finance for developing countries;

5. *Underlines* in this regard the need for greater coherence in the trade, financial and monetary systems, with a view to promoting growth, sustainable development and employment;

6. *Stresses* the need to resist all protectionist measures and tendencies, especially those affecting developing countries, particularly tariff, non-tariff and para-tariff barriers to trade, and to rectify any such measures already taken, recognizes the right of countries to fully utilize their policy space, consistent with World Trade Organization commitments, and calls on the World Trade Organization and other relevant bodies, including the United Nations Conference on Trade and Development, to continue monitoring protectionist measures and assess their impact on developing countries;

7. *Encourages* Member States to refrain from adopting any measures or restrictions related to trade and transit that affect the access by developing countries to medicines, especially generic medicines, and medical equipment;

8. *Expresses serious concern* at the lack of progress in the negotiations of the World Trade Organization Doha Round, reiterates the call on developed countries to demonstrate the flexibility and political will necessary to make meaningful progress in the negotiations, with a view to concluding the Round by

[8] A/64/15.
[9] A/64/177.

2010, and calls upon all members of the World Trade Organization to adhere to the development mandate of the Doha Ministerial Declaration,[7] the decision of 1 August 2004 of the General Council of the World Trade Organization[10] and the Hong Kong Ministerial Declaration,[11] which places development at the heart of the multilateral trading system;

9. *Takes note* of the New Delhi informal ministerial meeting on re-energizing Doha, held on 3 and 4 September 2009, which led to the resumption of the negotiations of the Doha Development Round with the objective of concluding the Round by 2010;

10. *Stresses* the importance of accelerating the negotiations, with a strong reaffirmation that development remains at the heart of the Doha Round, building upon the progress already made, particularly with regard to modalities, and based on the World Trade Organization agreed workplan on agriculture, non-agricultural market access, services, rules, trade facilitation and other remaining issues, with a view to concluding the Round by 2010;

11. *Also stresses* that, in order for the Doha Round to be concluded satisfactorily, the negotiations should strengthen the rules and disciplines in the area of agriculture, eliminate agricultural export subsidies, substantially reduce the domestic measures of support by developed countries and promote enhanced market access to developed country markets, in a balanced and development-oriented outcome, while adhering to the development mandate of the Doha Ministerial Declaration, the decision of 1 August 2004 of the General Council of the World Trade Organization and the Hong Kong Ministerial Declaration;

12. *Further stresses* the need for negotiations of the World Trade Organization in non-agricultural market access to fulfil the development mandate of the Doha Ministerial Declaration, the decision of 1 August 2004 of the General Council of the World Trade Organization and the Hong Kong Ministerial Declaration;

13. *Stresses* the need for negotiations of the World Trade Organization to make substantial progress in all areas under the single undertaking, such as services, rules and trade facilitation, so as to ensure that the development concerns of developing countries are fully reflected in any outcome, consistent with the development mandate of the Doha Ministerial Declaration, the decision of 1 August 2004 of the General Council of the World Trade Organization and the Hong Kong Ministerial Declaration;

14. *Reiterates* the call for accelerating work on the trade-related aspects of the World Intellectual Property Organization development agenda, as well as the development-related mandate concerning the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement)[12] in the Doha Ministerial Declaration, especially the examination of the relationship between the TRIPS

[10] World Trade Organization, document WT/L/579. Available from http://docsonline.wto.org.

[11] World Trade Organization, document WT/MIN(05)/DEC. Available from http://docsonline.wto.org.

[12] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

Agreement and the Convention on Biological Diversity,[13] the protection of traditional knowledge and folklore and the issues related to the full implementation of the Doha Declaration on the TRIPS Agreement and Public Health,[14] affecting developing countries, including the least developed countries, especially those issues arising from HIV/AIDS, tuberculosis, malaria and other diseases;

15. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization[7] and at the Third United Nations Conference on the Least Developed Countries,[15] in this regard calls upon developed countries that have not already done so to provide immediate predictable, duty-free and quota-free market access on a lasting basis to all products originating from all least developed countries, calls upon developing countries that are in a position to do so to extend duty-free and quota-free market access to exports of these countries, in this context reaffirms also the need to consider additional measures for progressive improvement in market access for least developed countries, and reaffirms further the need for members of the World Trade Organization to take additional measures to provide effective market access, both at the border and otherwise, including simplified and transparent rules of origin so as to facilitate exports from least developed countries;

16. *Also reaffirms* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration and paragraph 41 of the Hong Kong Ministerial Declaration;

17. *Expresses its deep concern* at the imposition of laws and other forms of coercive economic measures, including unilateral sanctions, against developing countries, which undermine international law and the rules of the World Trade Organization and also severely threaten freedom of trade and investment;

18. *Recognizes* the special problems and needs of the landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, calls, in this regard, for the full and effective implementation of the Almaty Programme of Action,[16] and stresses the need for the implementation of the São Paulo Consensus[17] and of the Accra Accord[18] by the relevant international organizations and donors in a multi-stakeholder approach;

19. *Reaffirms* that developing countries should play an increasing role in the formulation of, inter alia, safety, environmental and health standards, calls for the full and fair representation of developing countries in the relevant international

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[13] United Nations, *Treaty Series*, vol. 1760, No. 30619.

[14] World Trade Organization, document WT/MIN(01)/DEC/2. Available from http://docsonline.wto.org.

[15] See A/CONF.191/13.

[16] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/3), annex I.

[17] TD/412, chap. II.

[18] TD/442 and Corr.1, chap. II.

standard-setting organizations, and in this regard also calls for additional financial resources and technical capacity-building to ensure the adequate participation of developing countries;

20. *Recognizes* that South-South trade should be strengthened, notes that enhanced market access between developing countries can play a positive role in stimulating South-South trade, and calls for acceleration of the work of the ongoing (São Paulo) third round of negotiations on the Global System of Trade Preferences among Developing Countries;

21. *Calls for* facilitating the accession of all developing countries that apply for membership in the World Trade Organization, in particular the least developed countries, as well as countries emerging from conflict that are least developed countries, bearing in mind paragraph 21 of resolution 55/182 of 20 December 2000 and subsequent developments, and also calls for the effective and faithful application of the World Trade Organization guidelines on accession by the least developed countries;

22. *Emphasizes* the need for further work to foster greater coherence between the multilateral trading system and the international financial system, and invites the United Nations Conference on Trade and Development, in fulfilment of its mandate, to undertake the relevant policy analysis in those areas and to operationalize such work, including through its technical assistance activities;

23. *Takes note* of the holding of the second Global Review on Aid for Trade, on 6 and 7 July 2009, aimed at reviewing progress achieved and identifying additional measures needed to support developing and least developed countries in building their supply and export capacities, and stresses the urgent need to implement the aid for trade commitments, especially with regard to the mobilization of additional, non-conditional and predictable funding;

24. *Welcomes* the efforts made to operationalize the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries, aimed at promoting the export and supply capacities of the least developed countries, as well as the establishment of the Enhanced Integrated Framework Trust Fund, and urges development partners to increase their contributions, with a view to ensuring increased additional, non-conditional and predictable financial resources on a multi-year basis;

25. *Reiterates* the important role of the United Nations Conference on Trade and Development as the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, and calls upon the international community to work towards the strengthening of the Conference, in order to enable it to enhance its contribution in its three major pillars, namely, consensus-building, research and policy analysis and technical assistance, especially through increased core resources of the Conference;

26. *Invites* the United Nations Conference on Trade and Development, in accordance with its mandate, to monitor and assess the evolution of the international trading system and of trends in international trade from a development perspective, and, in particular, to analyse issues of concern to developing countries, supporting them in building capacities to establish their own negotiating priorities and negotiate trade agreements, including under the Doha Work Programme;

27. *Urges* donors to provide the United Nations Conference on Trade and Development with the increased resources necessary to deliver effective and demand-driven assistance to developing countries, as well as to enhance their contributions to the trust funds of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

28. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to submit to the General Assembly at its sixty-fifth session a report on the implementation of the present resolution and on developments in the multilateral trading system, including with regard to the implementation of the World Intellectual Property Organization development agenda, under the sub-item entitled "International trade and development" of the item entitled "Macroeconomic policy questions";

29. *Also requests* the Secretary-General to transmit the present resolution to the Director-General of the World Trade Organization for circulation as a document of the World Trade Organization.

Draft resolution II
Unilateral economic measures as a means of political and economic coercion against developing countries

The General Assembly,

Recalling the relevant principles set forth in the Charter of the United Nations,

Reaffirming the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations,[1] which states, inter alia, that no State may use or encourage the use of unilateral economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights,

Bearing in mind the general principles governing the international trading system and trade policies for development contained in relevant resolutions, rules and provisions of the United Nations and the World Trade Organization,

Recalling its resolutions 44/215 of 22 December 1989, 46/210 of 20 December 1991, 48/168 of 21 December 1993, 50/96 of 20 December 1995, 52/181 of 18 December 1997, 54/200 of 22 December 1999, 56/179 of 21 December 2001, 58/198 of 23 December 2003, 60/185 of 22 December 2005 and 62/183 of 19 December 2007,

Gravely concerned that the use of unilateral coercive economic measures adversely affects the economy and development efforts of developing countries in particular and has a general negative impact on international economic cooperation and on worldwide efforts to move towards a non-discriminatory and open multilateral trading system,

Recognizing that such measures constitute a flagrant violation of the principles of international law as set forth in the Charter of the United Nations, as well as the basic principles of the multilateral trading system,

1. *Takes note* of the report of the Secretary-General;[2]

2. *Urges* the international community to adopt urgent and effective measures to eliminate the use of unilateral coercive economic measures against developing countries that are not authorized by relevant organs of the United Nations or are inconsistent with the principles of international law as set forth in the Charter of the United Nations and that contravene the basic principles of the multilateral trading system;

3. *Calls upon* the international community to condemn and reject the imposition of the use of such measures as a means of political and economic coercion against developing countries;

4. *Requests* the Secretary-General to continue to monitor the imposition of measures of this nature and to study the impact of such measures on the affected countries, including the impact on trade and development;

5. *Also requests* the Secretary-General to submit to the General Assembly at its sixty-sixth session a report on the implementation of the present resolution.

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[1] Resolution 2625 (XXV), annex.

[2] A/64/179.

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Macroeconomic policy questions: international financial system and development

Report of the Second Committee*

Rapporteur: Ms. Denise **McQuade** (Ireland)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 51 (see A/64/418, para. 2). Action on sub-item (b) was taken at the 33rd and 42nd meetings, on 10 November and 11 December 2009. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/64/SR.33 and 42).

II. Consideration of draft resolution A/C.2/64/L.19 and the non-paper based thereon

2. At the 33rd meeting, on 10 November, the representative of the Sudan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International financial system and development" (A/C.2/64/L.19), which read:

> "*The General Assembly*,
>
> "*Recalling* its resolutions 55/186 of 20 December 2000 and 56/181 of 21 December 2001, both entitled 'Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity', as well as its resolutions 57/241 of 20 December 2002, 58/202 of 23 December 2003, 59/222 of 22 December 2004, 60/186 of 22 December 2005, 61/187 of 20 December 2006, 62/185 of 19 December 2007 and 63/205 of 19 December 2008,

* The report of the Committee on this item is being issued in five parts, under the symbol A/64/418 and Add.1-4.

Please recycle

"*Recalling also* the United Nations Millennium Declaration and its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development, and the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation'),

"*Recalling further* the 2005 World Summit Outcome,

"*Recalling* its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals, and its resolution 61/16 of 20 November 2006 on strengthening of the Economic and Social Council,

"*Recalling also* the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008,

"*Recalling further* the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development and underscoring the need for expeditious implementation and follow-up of the Outcome,

"*Expressing grave concern* over the severe adverse impacts of the global financial and economic crisis on development, which further highlighted long-standing systemic fragilities, imbalances and inequalities in the international financial system and architecture and current economic order,

"*Reiterating* the need to strengthen the leadership role of the United Nations in promoting development,

"*Stressing* that the current global financial and economic crisis as well as the failures and gaps in international financial governance further underscores the urgent need for the United Nations to assume a central and proactive role in international economic issues,

"*Stressing also* the need to strengthen the coordination role of the United Nations in international economic issues,

"*Emphasizing* that the international financial system should sustain economic growth and support sustainable development and hunger and poverty eradication efforts in developing countries, while allowing for the coherent mobilization and deployment of all sources of financing for development, including multilateral funding, mobilization of domestic resources, international investment flows, official development assistance, external debt relief and a universal, rule-based, open, non-discriminatory and equitable multilateral trading system,

"*Stressing* that good governance at the international level is fundamental for achieving sustainable development, reiterating in this regard the importance of promoting policy coherence and coordination in global economic governance by addressing the international finance, trade, technology and investment patterns that have an impact on the development prospects of developing countries in order to ensure a dynamic and enabling international economic environment, and reiterating also that, to this effect, the

international community should take all necessary and appropriate measures, including ensuring support for structural and macroeconomic reform, finding a comprehensive solution to the external debt problem and increasing the market access of developing countries,

"*Stressing also* that this crisis has demonstrated the need for good governance, particularly in the financial markets in developed countries, and reaffirming the need for transparency, as a means of combating corruption at all levels,

"*Recognizing* the imperative of addressing the democratic deficit in the international financial institutions, particularly the Bretton Woods institutions,

"*Reaffirming* the need to broaden and strengthen the participation of developing countries in international economic decision-making and norm-setting bodies and processes, and stressing to that end the importance of making tangible progress in and accelerating the reform of the international financial architecture, including in respect of the issue of the voting power and voice of developing countries in the Bretton Woods institutions,

"*Recognizing* the urgent need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems and the importance of ensuring their openness, fairness and inclusiveness in order to complement national development efforts to ensure sustained economic growth and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

"1. *Takes note* of the report of the Secretary-General;

"2. *Stresses* the urgent need for the United Nations to assume a central and proactive role in international economic issues and in this regard resolves to further strengthen the role of the United Nations in economic and financial affairs, including with relation to the reform and well-functioning of the international financial and economic system and architecture;

"3. *Welcomes* the establishment of an ad hoc open-ended working group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development;

"4. *Expresses serious concern* at the impact that the current global economic and financial crisis is having on developing countries, and stresses the need for actions that are commensurate with the scale, depth and urgency of the crisis to be taken, adequately financed, promptly implemented and appropriately coordinated internationally;

"5. *Affirms* that global economic growth and a stable international financial system, inter alia, can support the capacity of developing countries to achieve national development goals and internationally agreed development goals, including the Millennium Development Goals, and stresses the importance of cooperative and coordinated efforts by all countries and institutions to cope with the risks of financial instability;

"6. *Underscores* that this crisis has further highlighted the urgent need for a substantive and comprehensive reform of the international economic and

financial system and architecture, including policies, mandates, scope and governance, to better enable it to respond to and prevent financial and economic emergencies, effectively promote development and equitably serve the needs of Member States, particularly developing countries, stresses that international financial institutions, in particular, must have a clear development orientation, and calls on all Member States to participate in an open, inclusive and transparent dialogue on a new international economic and financial system and architecture;

"7. *Notes* that the current turmoil in financial markets is also linked to non-transparent financial products, expresses concern at the severe negative consequences of marketing such products for the development efforts of developing countries and stresses the need for greater transparency and better regulation of international markets for such financial products;

"8. *Emphasizes* the need for additional, stable and predictable financing to assist developing countries in implementing counter-cyclical policies in response to the current economic and financial crisis and in undertaking their investment plans and strategies to achieve national and internationally agreed development goals, including the Millennium Development Goals;

"9. *Urges* international financial institutions, regulatory bodies and other financial institutions to mitigate the global economic impacts of the current financial crisis, provide sufficient financial resources, without conditionalities, to developing countries, develop a global stimulus plan for growth, recovery and the safeguarding of hard-won economic and development gains, ensure policy space for developing countries, and reform of the international financial and economic system and architecture, and urgently address indebtedness of developing countries, including through a moratorium on debt payments, with a view to preventing a new debt crisis;

"10. *Notes with grave concern* that the International Monetary Fund is still prescribing pro-cyclical policies in developing countries which can unnecessarily exacerbate economic downturns, underscores that such policies are in violation of the international consensus to undertake a concerted effort to stimulate global demand, emphasizes that conditionalities still require Members States to pursue pro-cyclical policies or adopt monetary and regulatory policies that exacerbate the impacts of the current crisis, thus placing developing countries at a disadvantage relative to developed countries, and are a disincentive for developing countries to seek support funding, and in this regard, calls on the Bretton Woods institutions to refrain from imposing pro-cyclical polices and conditionalities;

"11. *Recognizes* the need for a global and collective response to the current financial and economic crisis to be mounted in a coordinated and comprehensive manner and, in this regard, acknowledges the role of the United Nations system in addressing the crisis;

"12. *Emphasizes* the need for global and concerted efforts to restore global economic growth, particularly in developing countries, and in this regard also emphasizes the need for an employment-led recovery from the crisis, inter alia, through the implementation of the Global Jobs Pact;

"13. *Underscores* that developing countries facing a shortage of foreign exchange because of the fallout from the crisis should not be denied the right to use temporary capital account measures and debt standstills in order to mitigate the adverse impacts of the crisis on the economy, jobs, incomes and poverty;

"14. *Stresses* that developing countries must have the necessary policy space for pursuing tailored and targeted responses to the crisis in accordance with their development needs and priorities, and calls for a reformed lending and financing paradigm, including the establishment of new credit facilities, as necessary, and the prompt end to conditionalities that curtail the individualized options available to developing countries and needlessly exacerbate the financial, economic and developmental challenges faced by these countries, and within this context, while noting steps taken by the International Monetary Fund in this regard, recognizes that new and ongoing programmes still contain conditionalities and that the reformed lending and financing paradigm of the international financial institutions, with full and fair representation of developing countries, must move forward with flexible, concessional and conditionality-free, fast-disbursing and front-loaded instruments designed to substantially and quickly assist developing countries facing financing gaps;

"15. *Calls on* developed countries whose policies have an impact on developing countries to formulate policies consistent with the national objectives of developing countries regarding sustained growth, poverty eradication and sustainable development;

"16. *Stresses* the urgent need for ambitious and expeditious reform of the Bretton Woods institutions, particularly their governance structures, based on full and fair representation of developing countries, in order to address the democratic deficit in those institutions and improve their legitimacy, and that these reforms must reflect current realities and ensure full voice and participation of developing countries in the decision-making and norm-setting of the Bretton Woods institutions, and in this regard, notes that the decision taken at the October 2009 meeting of the International Monetary Fund on quota shares was insufficient and urges the need for a substantial shift in voting power from developed to developing countries at the earliest;

"17. *Underlines* that the current crisis has further highlighted the fact that reform efforts should include other standards and norm-setting and code-formulating bodies outside the multilateral system and that those efforts should ensure full and fair representation of developing countries in such bodies, including the Financial Stability Board and the Basel Committee on Banking Supervision;

"18. *Stresses* that the current international reserve system based on a single national currency contributes to economic imbalances and market instability, takes note of proposals for reforming the current system, including with regard to the functions of expanded special drawing rights, and requests the Secretary-General to prepare a detailed study on the feasibility of a more efficient and equitable reserve system, including a stronger role for regional commercial and reserve arrangements, and contingent facilities for balance-of-payments problems;

"19. *Recognizes* the important role to be played by increased allocations of special drawing rights in increasing global liquidity, and the potential for expanded special drawing rights to contribute to global stability, equity and economic resilience and in this regard, commits to undertake further examination of the role of enhanced special drawing rights in the expansion of liquidity, stabilization of the reserve system, and the promotion of development, takes note of the approval by the International Monetary Fund of a general special drawing rights allocation of at least 250 billion United States dollars and calls for its implementation and for the urgent ratification of the fourth amendment to the Articles of Agreement of the Fund providing for a special one-time allocation of special drawing rights, as approved by the Fund's Board of Governors in September 1997, and also calls for periodic issuances of special drawing rights;

"20. *Encourages*, at the regional level, as appropriate, the establishment and wider use of regional units of account, currency swap agreements and settlement through clearing unions as a possible partial cushion against international currency volatility;

"21. *Underlines* the importance of efforts at the national level to increase resilience to financial risk, and stresses in this regard the importance of better assessment of a country's debt burden and its ability to service that debt in both crisis prevention and resolution;

"22. *Recognizes* the need for more even-handed and effective surveillance of systemically important countries, international capital flows, and financial markets to remain at the centre of crisis prevention efforts and that surveillance should focus not only on crisis-prone countries but also on the stability of the system as a whole;

"23. *Also recognizes* the negative impacts of excessive short-term capital flows and requests the Secretary-General to prepare a report on the role of capital control measures in mitigating the negative impact of those flows, while taking into account the sovereign rights of States;

"24. *Notes with concern* the massive reversal of capital flows to developing countries in the wake of the global financial crisis, coupled with a sharp rise in the cost of external financing, and in this regard, calls on the international financial institutions and other relevant bodies to enhance and expand the provision of low-cost and concessional financing to developing countries in order to mitigate the adverse impacts of the crisis and to ensure debt sustainability;

"25. *Invites* the international financial and banking institutions to enhance the transparency of risk-rating mechanisms, noting that sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis, and encourages relevant development institutions, including the United Nations Conference on Trade and Development, to continue their work on this issue, including its potential impact on the development prospects of developing countries;

"26. *Emphasizes* that it is essential to ensure the effective and equitable participation of developing countries in the formulation of financial standards

and codes, and underlines the need to ensure their implementation, on a voluntary and progressive basis, as a contribution to reducing vulnerability to financial crisis and contagion;

"27. *Calls on* the multilateral and regional and subregional development banks and development funds to play a vital role in serving the development needs of developing countries and countries with economies in transition, including through coordinated action, as appropriate, and stresses that strengthened regional development banks and subregional financial institutions add flexible financial support to national and regional development efforts, thus enhancing their ownership and overall efficiency, and in this regard, calls on the international community to ensure that multilateral regional and subregional development banks are adequately funded;

"28. *Stresses* the need to continuously improve standards of corporate and public sector governance, including accounting, auditing and measures to ensure transparency;

"29. *Requests* the Secretary-General to submit a report to the General Assembly at its sixty-fifth session on the implementation of the present resolution;

"30. *Decides* to include in the provisional agenda of its sixty-fifth session, under the item entitled 'Macroeconomic policy questions', the sub-item entitled 'International financial system and development'."

3. At its 42nd meeting, on 11 December, the Committee had before it a non-paper, in English only, containing the text of a draft resolution entitled "International financial system and development", submitted by the Vice-Chairperson of the Committee, Carlos Enrique García González (El Salvador), on the basis of informal consultations held on draft resolution A/C.2/64/L.19.

4. At the same meeting, the Committee was informed that the draft resolution contained in the non-paper had no programme budget implications.

5. Also at the same meeting, the representatives of Venezuela (Bolivarian Republic of), Sweden (on behalf of the States Members of the United Nations that are members of the European Union), the United States of America, Mexico, Canada (also on behalf of Australia and New Zealand) and Cuba made statements (see A/C.2/64/SR.42).

6. Also at its 42nd meeting, the Committee adopted the draft resolution contained in the non-paper (see para. 8).

7. In the light of the adoption of the draft resolution, draft resolution A/C.2/64/L.19 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

8. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

International financial system and development

The General Assembly,

Recalling its resolutions 55/186 of 20 December 2000 and 56/181 of 21 December 2001, both entitled "Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity", as well as its resolutions 57/241 of 20 December 2002, 58/202 of 23 December 2003, 59/222 of 22 December 2004, 60/186 of 22 December 2005, 61/187 of 20 December 2006, 62/185 of 19 December 2007 and 63/205 of 19 December 2008,

Recalling also the United Nations Millennium Declaration[1] and its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[2] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[3]

Recalling further the 2005 World Summit Outcome,[4]

Recalling its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals, and its resolution 61/16 of 20 November 2006 on strengthening of the Economic and Social Council,

Recalling also the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,[5] held in Doha from 29 November to 2 December 2008,

Recalling further the Conference on the World Financial and Economic Crisis and Its Impact on Development and its Outcome,[6]

Expressing deep concern over the adverse impact of the current world financial and economic crisis on development, which not only highlighted long-

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[4] See resolution 60/1.

[5] Resolution 63/239, annex.

[6] Resolution 63/303, annex.

standing systemic fragilities and imbalances, but has also led to an intensification of efforts to reform and strengthen the international financial system and architecture,

Recognizing the substantive discussions held and the efforts made at the national, regional and international levels in response to the world financial and economic crisis,

Taking note of the decisions taken at the October 2009 Annual Meetings of the International Monetary Fund and the World Bank, held in Istanbul,

Reaffirming the purposes of the United Nations, as set forth in its Charter, including to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character and to be a centre for harmonizing the actions of nations in the attainment of common ends, and reiterating the need to strengthen the leadership role of the United Nations in promoting development,

Recalling the commitment to work in solidarity on a coordinated and comprehensive global response to the crisis and its impact on development and to undertake actions aimed at strengthening the role of the United Nations development system in responding to the crisis and its impact on development,

Stressing the importance of commitment to ensuring sound domestic financial sectors, which make a vital contribution to national development efforts, as an important component of an international financial architecture that is supportive of development,

Recognizing the continued importance of good governance along with national ownership of policies and strategies, and recalling the commitment to promoting effective and efficient economic and financial institutions at all levels, which are key determinants of long-term economic growth and development, as well as to accelerating the collective recovery from the crisis through improved transparency, eradication of corruption and strengthened governance,

Stressing that good governance at the international level is fundamental for achieving sustainable development, reiterating in this regard the importance of promoting global economic governance by addressing the international finance, trade, technology and investment patterns that have an impact on the development prospects of developing countries in order to ensure a dynamic and enabling international economic environment, and reiterating also that, to this effect, the international community should take all necessary and appropriate measures, including ensuring support for structural and macroeconomic reform, finding a comprehensive solution to the external debt problem and increasing the market access of developing countries,

Recognizing the urgent need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems and the importance of ensuring their openness, fairness and inclusiveness in order to complement national development efforts to ensure sustained economic growth and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

1. *Takes note* of the report of the Secretary-General;[7]

2. *Reaffirms* that the United Nations, on the basis of its universal membership and legitimacy, is well positioned to participate in various reform processes aimed at improving and strengthening the effective functioning of the international financial system and architecture, while recognizing that the United Nations and the international financial institutions have complementary mandates which make the coordination of their actions crucial;

3. *Recalls* in this regard the resolve to strengthen the coordination of the United Nations system and all other multilateral financial, trade and development institutions so as to support economic growth, poverty eradication and sustainable development worldwide, based on a clear understanding of and respect for their mandates and governance structures;

4. *Underlines* the importance of the implementation of the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,[6] and in this regard, recalls the establishment of the ad hoc open-ended working group of the General Assembly to follow up on the issues considered therein;

5. *Notes* that the crisis has produced or exacerbated serious and wide-ranging yet differentiated impacts across the globe and that, since the crisis began, many States have reported negative impacts, which vary by country, region, level of development and severity, including massive reversal of private capital inflows, especially at the height of the crisis;

6. *Expresses serious concern* at the impact that the current world economic and financial crisis is having on all countries, particularly developing countries, and stresses the need for actions that are commensurate with the scale, depth and urgency of the crisis to be taken, adequately financed, promptly implemented and appropriately coordinated internationally, and in this regard, notes the significant work under way at the national, regional and international levels to mitigate the impact of the crisis;

7. *Reaffirms* the need to further develop the comprehensive response of the United Nations development system to the world financial and economic crisis in support of national development strategies through a coordinated approach by United Nations funds and programmes, the specialized agencies and the international financial institutions at the country level;

8. *Notes* that global economic growth and a stable international financial system, inter alia, can support the ability of developing countries to pursue their national policy objectives and achieve internationally agreed development goals, including the Millennium Development Goals, and stresses the importance of cooperative and coordinated efforts by all countries and institutions to cope with the risks of financial instability;

9. *Stresses* that this crisis has added new impetus to ongoing international discussions on the reform of the international financial system and architecture, including on issues related to mandate, scope, governance, responsiveness and development orientation, as appropriate;

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[7] A/64/178

10. *Notes* that major failures of regulation and supervision, plus irresponsible risk-taking by banks and other financial institutions, had created dangerous financial fragilities which contributed significantly to the current crisis, and stresses the need for greater transparency and better regulation and supervision of the international financial system through, inter alia, strengthening prudential oversight, improving risk management and reinforcing international cooperation, while noting ongoing reforms in this regard;

11. *Emphasizes* the need for global concerted efforts to restore global economic growth, particularly in developing countries, and in this regard also emphasizes the need to take into account the human and social impact of the crisis, and underlines the need to promote a job-intensive recovery from the crisis, drawing on the decent work agenda and through the implementation of the resolution entitled "Recovering from the crisis: a Global Jobs Pact", adopted by the General Conference of the International Labour Organization at its ninety-eighth session;

12. *Stresses* that developing countries facing an acute and severe shortage of foreign reserves because of the fallout of the crisis can use, as a measure of last resort, temporary capital account measures, in accordance with the relevant bilateral and multilateral agreements, in order to help mitigate the adverse impacts of the crisis;

13. *Notes* that developing countries can seek to negotiate, as a last resort, on a case-by-case basis and through existing frameworks, agreements on temporary debt standstills between debtors and creditors in order to help mitigate the adverse impacts of the crisis and stabilize macroeconomic developments;

14. *Recalls* that countries must have the necessary flexibility to implement counter-cyclical measures and to pursue tailored and targeted responses to the crisis, and calls for a streamlining of conditionalities to ensure that they are timely, tailored and targeted and support developing countries in the face of financial, economic and development challenges;

15. *Notes* in this regard the recent improvement of the lending framework of the International Monetary Fund, through, inter alia, streamlined conditions and the creation of more flexible instruments such as a flexible credit line, while also noting that new and ongoing programmes should not contain unwarranted pro-cyclical conditionalities;

16. *Urges* international financial institutions to continue their efforts to mitigate the global economic impacts of the current crisis, including through the provision of financial resources to developing countries, stresses the need to assist developing countries in responding to the crisis without incurring the risk of relapsing into another debt crisis, takes note with appreciation in this regard of the additional resources that have been made available through the International Monetary Fund and the multilateral development banks, and calls for the continued provision of concessional and grant-based financing to low-income countries to enable them to respond to the crisis;

17. *Notes* recent progress on reform of the governance structures of the international financial institutions, and reaffirms the commitment to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting, while stressing the importance to that end of continuing efforts to reform the international

financial architecture, and acknowledges the need for continued discussion on the issue of the voting power of developing countries in the Bretton Woods institutions, which remains a concern;

18. *Reaffirms* the need to address the often expressed concern regarding the extent of representation of developing countries in the major standard-setting bodies, therefore welcomes, as a step in the right direction, the expansion of the membership in the Financial Stability Board and the Basel Committee on Banking Supervision and encourages the major standard-setting bodies to further review their membership promptly while enhancing their effectiveness, with a view to expanding the representation of developing countries as appropriate;

19. *Notes* the important role played by recent allocations of special drawing rights in increasing global liquidity and recognizes the need to continue regular reviews of the role of special drawing rights, including with reference to their potential role in the international reserve system, and requests the Secretary-General to take this into account while preparing his report on the implementation of the present resolution;

20. *Also notes* the value of regional and subregional cooperation efforts in meeting the challenges of the global economic crisis and encourages enhanced regional and subregional cooperation, for example, through regional and subregional development banks, commercial and reserve currency arrangements, and other regional initiatives, as contributions to the multilateral response to the current crisis and to improved resilience with respect to potential future crises;

21. *Invites* the international financial and banking institutions to enhance the transparency of risk-rating mechanisms, noting that sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis, and encourages relevant development institutions, including the United Nations Conference on Trade and Development, to continue their work on this issue, including its potential impact on the development prospects of developing countries;

22. *Invites* the multilateral and regional development banks and development funds to play a vital role in serving the development needs of developing countries and countries with economies in transition, including through coordinated action, as appropriate, and stresses that regional development banks and financial institutions add flexible financial support to national and regional development efforts, thus enhancing their ownership and overall efficiency, and in this regard, calls upon the international community to ensure that multilateral and regional development banks are adequately funded;

23. *Requests* the Secretary-General to submit a report to the General Assembly at its sixty-fifth session on the implementation of the present resolution;

24. *Decides* to include in the provisional agenda of its sixty-fifth session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "International financial system and development".

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Macroeconomic policy questions: external debt and development: towards a durable solution to the debt problems of developing countries

Report of the Second Committee*

Rapporteur: Ms. Denise **McQuade** (Ireland)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 51 (see A/64/418, para. 2). Action on sub-item (c) was taken at the 26th and 41st meetings, on 30 October and 9 December 2009. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/64/SR.26 and 41).

II. Consideration of draft resolutions A/C.2/64/L.9 and A/C.2/64/L.69

2. At the 26th meeting, on 30 October, the representative of Sudan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "External debt and development" (A/C.2/64/L.9), which read:

> "*The General Assembly*,
>
> "*Recalling* its resolutions 58/203 of 23 December 2003, 59/223 of 22 December 2004, 60/187 of 22 December 2005, 61/188 of 20 December 2006, 62/186 of 19 December 2007 and 63/206 of 19 December 2008 on external debt crisis and development,
>
> "*Recalling* the 2009 Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,

* The report of the Committee on this item is being issued in five parts, under the symbol A/64/418 and Add.1-4.

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"*Recalling also* the International Conference on Financing for Development and its outcome, and the 2008 Doha Declaration on Financing for Development,

"*Recalling further* the United Nations Millennium Declaration adopted on 8 September 2000,

"*Recalling* the 2005 World Summit Outcome,

"*Recalling also* its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

"*Recalling further* its resolution 57/270 B of 23 June 2003,

"*Expressing concern* that the negative impact of the world financial and economic crisis on development is still unfolding and is gravely threatening the debt sustainability in developing countries, inter alia, through its impact on the real economy, and the need to increase borrowing in order to mitigate the negative impacts of the crisis,

"*Expressing concern also* that temporary standstills, debt relief and debt restructuring have not been given an adequate role as tools of debt crisis prevention and management to mitigate the impact of the global financial crisis in developing countries,

"*Expressing concern further* that the amount of resources allocated to low-income countries, as part of the global response to the crisis, is insufficient for them to respond to their external debt problems derived from the crisis,

"*Reaffirming* that each country must take primary responsibility for its own development and that the role of national policies and development strategies, including in the area of debt management, cannot be overemphasized in the achievement of sustainable development, and recognizing that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,

"*Emphasizing* that debt sustainability is essential for underpinning growth, and underlining the importance of debt sustainability and effective debt management to the efforts to achieve national development goals, including the Millennium Development Goals,

"*Noting* the progress made under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative initiatives, expressing concern that fourteen out of forty eligible heavily indebted poor countries have still not reached the completion point under the Initiative, and expressing deep concern over the fact that some of the conditionalities for access, as well as policy conditionalities to some participating countries, endanger the ability of these countries to increase their investments in health, education and other social services consistent with national priorities, development plans and internationally agreed development goals, including the Millennium Development Goals,

"*Stressing* the importance of addressing the challenges of those heavily indebted poor countries that are facing difficulties in reaching the completion point under the Heavily Indebted Poor Countries Initiative, and expressing concern that some heavily indebted poor countries continue to face substantial debt burdens and need to avoid rebuilding unsustainable debt burdens after reaching the completion point under the Initiative and that several remain classified as being at high risk of debt distress even after completing the Initiative,

"*Expressing concern* that a number of heavily indebted non-Heavily Indebted Poor Countries have been unable to access financing from international financial institutions on concessionary terms for the provision of liquidity and crisis management, leading to a worsening of their unsustainable debt burdens,

"*Expressing concern also* over the difficulties faced by developing countries in finding a durable solution to their external debt problems, and the fact that they are being adversely impacted by the world financial and economic crisis, which is reversing their development gains,

"*Convinced* that enhanced market access for goods and services of export interest to developing countries contributes significantly to debt sustainability in those countries,

"1. *Takes note* of the report of the Secretary-General;

"2. *Emphasizes* the special importance of a timely, effective, comprehensive and durable and development-oriented solution to the debt problems of developing countries;

"3. *Recognizes* the enormity and the multidimensional nature of the global economic and financial crisis and the significant risks it poses to the debt sustainability of developing and transition economies, and emphasizes the need for coordinated policies aimed at fostering debt financing, debt relief and debt restructuring with the provision of additional resources to developing countries and countries with economies in transition without conditionalities, since the balance between debt financing, temporary standstills, restructuring and relief can contribute to economic growth and development;

"4. *Also notes* that the additional fiscal pressure placed on low- and middle-income developing countries that are not included in existing debt relief initiatives imposes constraints on their capacity to mobilize the resources needed to achieve the internationally agreed development goals, including the Millennium Development Goals;

"5. *Stresses* the need to assist developing countries to respond to the crisis without requiring them to incur unsustainable levels of debt and without increasing the risk of relapsing into another debt crisis, calls for the provision of concessional and grant-based financing to developing countries to respond to the crisis, and encourages developed countries to allocate new and additional resources to assist developing countries in coping with the consequences of the crisis;

"6. *Notes* the International Monetary Fund's provision of interest relief to low-income countries in the form of zero payments for concessional lending facilities until the end of 2011, and further calls for a temporary debt

moratorium on official debt of low-income countries until 2011 to provide them with much needed fiscal space to respond to the crisis;

"7. *Notes with concern* that the International Monetary Fund continues to prescribe procyclical and conditionality-based programmes, as well as overly optimistic growth forecasts, which will further compound the impact of the world financial and economic crisis on debt sustainability, and emphasizes that it is imperative to undertake, as a matter of priority, a comprehensive and fast-tracked reform of the International Monetary Fund;

"8. *Stresses* the importance of assisting developing countries in managing their borrowing, upon request, and in avoiding a build-up of unsustainable debt, including through capacity-building in the area of debt management and the use of grants and concessional loans;

"9. *Calls for* an urgent review of the joint International Monetary Fund/World Bank Debt Sustainability Framework, in order to enhance its transparency and objectivity, and expresses concern that developing countries were not consulted in the recent review of the joint International Monetary Fund/World Bank Debt Sustainability Framework, and, in this regard, calls for the full engagement of developing countries in an open and transparent manner in future reviews;

"10. *Notes* the importance of responsible lending and borrowing, and emphasizes that creditors and debtors must share responsibility for preventing unsustainable debt situations;

"11. *Calls for* the provision of neutral, open and transparent assistance, including technical assistance, upon request, to enhance debt management, negotiations and renegotiation capacities, including tackling external debt litigation and debt data reconciliation between creditors and debtors, in order to achieve and maintain debt sustainability;

"12. *Reiterates* that debt sustainability depends on a confluence of many factors at the international and national levels, emphasizes that country-specific circumstances and the impact of external shocks should continue to be taken into account in debt sustainability analyses, underscores the fact that no single indicator should be used to make definitive judgements about debt sustainability, and, in this regard, while acknowledging the need to use transparent and comparable indicators, invites the International Monetary Fund and the World Bank, in their assessment of debt sustainability, to take into account fundamental changes caused by, inter alia, natural disasters, conflicts and changes in global growth prospects or in the terms of trade, especially for commodity-dependent developing countries, as well as by the impact of developments in financial markets and weaknesses in the international monetary and financial system, and to continue to provide information on this issue using existing cooperation forums, including those involving Member States;

"13. *Underlines* the facts that the long-term sustainability of debt depends, inter alia, on the economic growth, mobilization of domestic resources and export prospects of debtor countries and, hence, on the creation of an enabling international environment conducive to development, progress in following sound macroeconomic policies, transparent and effective

regulatory frameworks and success in overcoming structural development problems, that systemic issues impact on development in countries and reverse gains, and that subsequent reform of the international financial system must be conducive to fostering an inclusive financial and monetary system;

"14. *Notes with concern* that, in spite of the progress achieved, some countries that have reached the completion point of the Heavily Indebted Poor Countries Initiative are still classified as being at high risk of debt distress, calls for the full and timely implementation of the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative and for continued support to countries to complete the Heavily Indebted Poor Countries Initiative process, and encourages progress to complete the debt relief process;

"15. *Urges* donors to ensure that their commitments to the Multilateral Debt Relief Initiative and the Heavily Indebted Poor Countries Initiative are additional to existing official development assistance commitments, and underlines that full compensation by donors on the basis of fair burden-sharing for the Multilateral Debt Relief Initiative costs of relevant financial institutions is essential;

"16. *Encourages* further improving the mutual exchange of information, on a voluntary basis, on borrowing and lending among all creditors and borrowers;

"17. *Notes* the creation of new International Monetary Fund lending facilities in response to the crisis, calls for the ongoing review of the new lending facilities, and calls upon the multilateral development banks to move forward on flexible, concessional, fast-disbursing and front-loaded assistance designed to substantially and quickly assist developing countries facing financing gaps;

"18. *Calls for* the consideration of additional measures and initiatives aimed at ensuring long-term debt sustainability through increased grant-based and other forms of concessionary financing, cancellation of 100 per cent of the eligible official multilateral and bilateral debt of heavily indebted poor countries and, where appropriate, and on a case-by-case basis, significant debt relief or restructuring for developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Poor Countries Initiative, as well as the exploration of mechanisms to comprehensively address the debt problems of those countries;

"19. *Encourages* the Paris Club, in dealing with the debt of low- and middle-income debtor countries that are not part of the Heavily Indebted Poor Countries Initiative, to take into account their medium-term debt sustainability in addition to their financing gaps;

"20. *Stresses* the need to significantly address the debt problems of middle-income developing countries, and in this regard stresses the importance of the Evian approach of the Paris Club as a practical means to address this issue, and notes that the current debt sustainability framework used to analyse the debt situation of middle-income countries focuses mostly on medium-term debt dynamics;

"21. *Notes* the changing composition of sovereign debt that has shifted increasingly from external public debt to domestic debt to pay off foreign currency liabilities, notes that the levels of domestic debt could create other challenges for macroeconomic management and public debt sustainability, emphasizes the importance of safe structures of debt, and calls for reinforcing the capacity to manage the new levels of domestic debt in order to maintain public debt sustainability overall;

"22. *Notes* that financial reform policies and the deepening of financial markets have enhanced the access of private borrowers to international capital markets, also notes that the share of total external long-term debt owed by private borrowers increased substantially in recent years, constituting half of private borrowing, further notes that corporate debt makes up the majority of short-term external debt of developing countries, and calls for the necessary policy space in developing countries in addressing corporate insolvencies arising from the economic and financial crisis;

"23. *Calls for* the enhancement of existing mechanisms for debt crisis prevention and management, including through cooperation with the private sector;

"24. *Urges* the continued monitoring by the United Nations and international financial institutions of global financial flows and their implications for restoring sustained economic growth, sustainable development and debt sustainability;

"25. *Invites* creditors and debtors to further explore, where appropriate, and on a mutually agreed basis, the use of innovative mechanisms such as debt swaps, including debt for equity in Millennium Development Goals projects;

"26. *Stresses* the need to continue to take effective measures to address the debt problems of the least developed countries, including through cancellation of the multilateral and bilateral debt owed by least developed countries to creditors, both public and private;

"27. *Invites* donor countries, taking into account country-specific debt sustainability analyses, to continue their efforts to increase bilateral grants to developing countries, which could contribute to debt sustainability in the medium to long term, and recognizes the need for countries to be able to invest, inter alia, in health and education while maintaining debt sustainability;

"28. *Requests* the Secretary-General to undertake an examination and present concrete proposals to reform the monitoring and oversight mechanisms of the credit rating agencies, including their methodology, with a view to improving transparency and accountability and addressing problems of conflict of interest with the goal of producing objective assessment of countries and corporations;

"29. *Calls for* an enhanced approach to sovereign debt problems, and, in that regard, decides to set up a United Nations committee to examine options for a debt restructuring and resolution mechanism within the United Nations, with a view to guaranteeing a voice for debtors, equivalent treatment of all creditors, just treatment of debtors and creditors, and legal predictability;

"30. *Calls upon* the international community to provide prompt assistance and flexibility, and stresses the need to continue those efforts in helping post-conflict developing countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development;

"31. *Calls upon* creditors to provide flexibility to developing countries affected by natural disasters so as to allow them to address their debt problems;

"32. *Welcomes* the efforts of and calls upon the international community to support institutional capacity-building in developing countries for the management of financial assets and liabilities and to enhance sustainable debt management as an integral part of national development strategies;

"33. *Invites* the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions and stakeholders, to intensify their cooperation in respect of capacity-building activities in developing countries in the area of debt management and debt sustainability;

"34. *Invites* the international community, including the United Nations system, to increase financial support in respect of capacity-building activities for developing countries in the area of debt management and debt sustainability;

"35. *Calls upon* all Member States and the United Nations system, and invites the Bretton Woods institutions and the private sector, to take appropriate measures and actions for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits, in particular those related to the question of the external debt problems of developing countries;

"36. *Requests* the Secretary-General to submit to the General Assembly at its sixty-fifth session a report on the implementation of the present resolution and to include in that report a comprehensive and substantive analysis of the external debt situation and debt-servicing problems of developing countries and a review of debt management capacity-building efforts, particularly those of the United Nations system;

"37. *Decides* to include in the provisional agenda of its sixty-fifth session, under the item entitled 'Macroeconomic policy questions', a sub-item entitled 'External debt crisis and development'."

3. At its 41st meeting, on 9 December, the Committee had before it a draft resolution entitled "External debt sustainability and development" (A/C.2/64/L.69), submitted by the Vice-Chairperson of the Committee, Carlos Enrique García González (El Salvador), on the basis of informal consultations held on draft resolution A/C.2/64/L.9.

4. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

5. Also at the same meeting, a statement was made by the Vice-Chairperson (El Salvador), in the course of which he orally corrected operative paragraph 20 of the draft resolution by inserting the words "economic growth, economic

development and the" between the words "sustained" and "internationally agreed development goals" (see A/C.2/64/SR.41).

6. Also at its 41st meeting, the Committee adopted draft resolution A/C.2/64/L.69, as orally corrected (see para. 8).

7. In the light of the adoption of draft resolution A/C.2/64/L.69, draft resolution A/C.2/64/L.9 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

8. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

External debt sustainability and development

The General Assembly,

Recalling its resolutions 58/203 of 23 December 2003, 59/223 of 22 December 2004, 60/187 of 22 December 2005, 61/188 of 20 December 2006, 62/186 of 19 December 2007 and 63/206 of 19 December 2008,

Recalling also the 2009 Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome,[1]

Recalling further the International Conference on Financing for Development and its outcome,[2] and the 2008 Doha Declaration on Financing for Development,[3]

Recalling the United Nations Millennium Declaration, adopted on 8 September 2000,[4]

Recalling also the 2005 World Summit Outcome,[5]

Recalling further its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

Recalling its resolution 57/270 B of 23 June 2003,

Recognizing the important role, on a case-by-case basis, of debt relief and debt restructuring as debt crisis prevention and management tools for mitigating the impact of the world financial and economic crisis in developing countries,

Expressing concern that some low-income countries may face increased challenges in servicing their debt,

Reaffirming that each country must take primary responsibility for its own development and that the role of national policies and development strategies, including in the area of debt management, cannot be overemphasized in the achievement of sustainable development, and recognizing that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,

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[1] Resolution 63/303, annex.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] Resolution 63/239, annex.

[4] See resolution 55/2.

[5] See resolution 60/1.

Reaffirming also that the Bretton Woods institutions and other relevant organizations should continue to play an important role, given their respective mandates, in achieving and maintaining debt sustainability,

Noting in this regard the recent improvement of the lending framework of the International Monetary Fund, through, inter alia, streamlined conditions and the creation of more flexible instruments such as a flexible credit line, while noting also that new and ongoing programmes should not contain unwarranted procyclical conditionalities,

Emphasizing that debt sustainability is essential for underpinning growth, and underlining the importance of debt sustainability and effective debt management to the efforts to achieve national development goals, including the Millennium Development Goals,

Noting with appreciation that the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative and bilateral donors have provided significant debt relief to twenty-six heavily indebted poor countries that have reached the completion point under the Heavily Indebted Poor Countries Initiative, and that an additional nine countries have reached the decision point under the Initiative, and expressing concern that five out of forty eligible heavily indebted poor countries have still not reached the decision point under the Initiative,

Noting that the world has been facing and confronting, in the world financial and economic crisis, the greatest economic challenge of recent times and recognizing the international response to this crisis, which is helping to stabilize financial markets,

Recognizing that the negative impact of the world financial and economic crisis on development is still unfolding and entails the possibility of undoing the progress made towards achieving the Millennium Development Goals, and that it may threaten debt sustainability in some developing countries, inter alia, through its impact on the real economy and the increase in borrowing undertaken in order to mitigate the negative impacts of the crisis,

Welcoming the fact that the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative have enabled heavily indebted poor countries to increase their investments in health, education and other social services consistent with national priorities, development plans and internationally agreed development goals, including the Millennium Development Goals,

Stressing the importance of addressing the challenges of the fourteen heavily indebted poor countries that are facing difficulties in reaching the decision or completion point under the Heavily Indebted Poor Countries Initiative, and expressing concern that some heavily indebted poor countries continue to face substantial debt burdens and need to avoid rebuilding unsustainable debt burdens after reaching the completion point under the Initiative,

Acknowledging that, although the debt relief provided under the Heavily Indebted Poor Countries and Multilateral Debt Relief Initiatives has considerably reduced the debt vulnerabilities in post-completion point countries and that the vulnerabilities in those countries are on average much lower than in pre-completion point heavily indebted poor countries, some post-completion point countries remain classified as being at high risk of debt distress,

Convinced that enhanced market access for goods and services of export interest to developing countries contributes significantly to debt sustainability in those countries,

1. *Takes note* of the report of the Secretary-General entitled "Towards a durable solution to the debt problems of developing countries";[6]

2. *Emphasizes* the special importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries, since debt financing and relief can contribute to economic growth and development;

3. *Stresses* the importance of responsible lending and borrowing, and emphasizes that creditors and debtors must share responsibility for preventing unsustainable debt situations;

4. *Reiterates* that debt sustainability depends on a confluence of many factors at the international and national levels, emphasizes that country-specific circumstances and the impact of external shocks should continue to be taken into account in debt sustainability analyses and underscores the fact that no single indicator should be used to make definitive judgements about debt sustainability, and, in this regard, while acknowledging the need to use transparent and comparable indicators, invites the International Monetary Fund and the World Bank, in their assessment of debt sustainability, to take into account fundamental changes caused by, inter alia, natural disasters, conflicts and changes in global growth prospects or in the terms of trade, especially for commodity-dependent developing countries, as well as by the impact of developments in financial markets, and to continue to provide information on this issue using existing cooperation forums, including those involving Member States;

5. *Underlines* the fact that the long-term sustainability of debt depends, inter alia, on the economic growth, mobilization of domestic resources and export prospects of debtor countries and hence on the creation of an enabling international environment conducive to development, progress in following sound macroeconomic policies, transparent and effective regulatory frameworks and success in overcoming structural development problems;

6. *Recognizes* the enormity and the multidimensional nature of the world financial and economic crisis and the significant risks it may pose to the debt sustainability of some developing countries and countries with economies in transition, and emphasizes the need for coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate;

7. *Stresses* the need to assist developing countries in responding to the crisis without incurring the risk of relapsing into another debt crisis, takes note with appreciation in this regard of the additional resources that have been made available through the International Monetary Fund and the multilateral development banks, and calls for the continued provision of concessional and grant-based financing to low-income countries to enable them to respond to the crisis;

8. *Notes* the provision by the International Monetary Fund of interest relief to low-income countries in the form of zero-interest payments on financing from concessional lending facilities until the end of 2011;

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[6] A/64/167.

9. *Also notes* that developing countries can seek to negotiate, as a last resort, on a case-by-case basis and through existing frameworks, agreements on temporary debt standstills between debtors and creditors in order to help mitigate the adverse impacts of the crisis and stabilize macroeconomic developments;

10. *Stresses* the importance of assisting developing countries, upon request, in managing their borrowing and in avoiding a build-up of unsustainable debt, including through capacity-building in the area of debt management and the use of grants and concessional loans, and underlines the important role of the joint Debt Sustainability Framework of the International Monetary Fund and the World Bank for low-income countries in helping to guide borrowing and lending decisions;

11. *Takes note* of the recent review of the flexibility of the Debt Sustainability Framework and urges all lenders and borrowers to make full use of debt sustainability analyses in their debt decisions in order to help maintain debt sustainability through a coordinated and cooperative approach, and encourages continued review of the Framework, with the full engagement of borrower Governments, in an open and transparent manner;

12. *Recognizes and encourages* the continued provision of assistance, including technical assistance, to enhance debt management, negotiation and renegotiation capacities, including supporting legal advice in relation to tackling external debt litigation and debt data reconciliation between creditors and debtors, in order that debt sustainability may be achieved and maintained;

13. *Takes note* of the progress made under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative, while expressing concern that some countries have yet to reach decision or completion points, and calls for their full and timely implementation and for continued support to the remaining eligible countries in completing the Heavily Indebted Poor Countries Initiative process, and encourages all parties, both creditors and debtors, to fulfil their commitments as rapidly as possible in order to complete the debt relief process;

14. *Notes* that some low- and middle-income developing countries that are not included in existing debt relief initiatives also experience constraints on mobilizing the resources needed to achieve the internationally agreed development goals;

15. *Underlines* that heavily indebted poor countries eligible for debt relief will not be able to enjoy its full benefits unless all creditors, including public and private, contribute their fair share and become involved in the international debt resolution mechanisms to ensure the debt sustainability of low-income countries;

16. *Encourages* donor countries to take steps to ensure that resources provided for debt relief under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative do not detract from official development assistance resources intended to be available for developing countries;

17. *Encourages* further improving of the mutual exchange of information, on a voluntary basis, on borrowing and lending among all creditors and borrowers;

18. *Takes note* of the creation of the new International Monetary Fund lending facilities in response to the crisis and the continued review of the new lending facilities, and urges the multilateral development banks to move forward on

flexible, concessional, fast-disbursing and front-loaded assistance that will substantially and quickly assist developing countries facing financing gaps in their efforts to achieve the Millennium Development Goals, bearing in mind that new lending facilities will have to consider those countries' individual absorptive capacities and debt sustainability;

19. *Welcomes and encourages* the efforts of the heavily indebted poor countries, calls upon them to continue to strengthen their domestic policies and economic management, inter alia, through poverty reduction strategies, and to create a domestic environment conducive to private-sector development, economic growth and poverty reduction, including a stable macroeconomic framework, transparent and accountable systems of public finance, a sound business climate and a predictable investment climate, and in this regard invites creditors, both private and public, that are not yet fully participating in debt relief initiatives to substantially increase their participation, including by providing comparable treatment to the extent possible to debtor countries that have concluded sustainable debt relief agreements with creditors, and invites the international financing institutions and the donor community to continue to provide adequate and sufficiently concessional financing;

20. *Stresses* that debt relief can play a key role in liberating resources that should be directed towards activities consistent with poverty eradication, sustained economic growth, economic development and the internationally agreed development goals including the Millennium Development Goals, and in this regard, urges countries to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards those objectives;

21. *Calls for* the consideration of additional measures and initiatives aimed at ensuring long-term debt sustainability through increased grant-based and other forms of concessionary financing, cancellation of 100 per cent of the eligible official multilateral and bilateral debt of heavily indebted poor countries and, where appropriate, and on a case-by-case basis, significant debt relief or restructuring for developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Poor Countries Initiative;

22. *Encourages* the Paris Club, in dealing with the debt of low- and middle-income debtor countries that are not part of the Heavily Indebted Poor Countries Initiative, to take into account their medium-term debt sustainability in addition to their financing gaps, and takes note with appreciation of the Evian approach of the Paris Club in providing terms of debt relief tailored to the specific needs of debtor countries while preserving debt cancellation for heavily indebted poor countries;

23. *Stresses* the need to significantly address the debt problems of middle-income developing countries, and in this regard stresses the importance of the Evian approach of the Paris Club as a practical means of addressing this issue, and notes that the current debt sustainability framework used to analyse the debt situation of middle-income countries focuses mostly on medium-term debt dynamics;

24. *Notes* the changing composition of some countries' sovereign debt, which has shifted increasingly from external public debt to domestic debt, notes that the levels of domestic debt could create other challenges for macroeconomic management and public debt sustainability, and calls for reinforcing the capacity to

manage the new levels of domestic debt in order to maintain overall public debt sustainability;

25. *Recognizes* that a shift has occurred from official to commercial borrowing and from external to domestic public debt, although for most low-income countries external finance is still largely official, notes that the number of creditors, both official and private, has increased significantly, and stresses the need to address the implications of these changes, including through improved data collection and analysis;

26. *Calls for* the intensification of efforts to prevent debt crises by enhancing international financial mechanisms for crisis prevention and resolution, in cooperation with the private sector, and by finding solutions that are transparent and agreeable to all;

27. *Recognizes* the roles of the United Nations and the international financial institutions in accordance with their respective mandates, and encourages them to continue to support global efforts towards sustainable development and a durable solution to the debt problem of developing countries;

28. *Invites* creditors and debtors to further explore, where appropriate, and on a mutually agreed and case-by-case basis, the use of innovative mechanisms such as debt swaps, including debt for equity in Millennium Development Goals projects;

29. *Stresses* the need to continue to take effective measures, preferably within the existing frameworks, to address the debt problems of the least developed countries, including through cancellation of the multilateral and bilateral debt owed by least developed countries to creditors, both public and private;

30. *Invites* donor countries, taking into account country-specific debt sustainability analyses, to continue their efforts to increase bilateral grants to developing countries, which could contribute to debt sustainability in the medium to long term, and recognizes the need for countries to be able to invest, inter alia, in health and education while maintaining debt sustainability;

31. *Stresses* the need to increase information-sharing, transparency and the use of objective criteria in the construction and evaluation of debt scenarios, including an assessment of domestic public and private debt, in order to ensure the achievement of development goals, recognizes that credit rating agencies also play a significant role in the provision of information, including assessment of corporate and sovereign risks, and in this regard calls for strong oversight over credit rating agencies consistent with the agreed and strengthened international code of conduct;

32. *Calls for* the consideration of enhanced approaches to sovereign debt restructuring mechanisms based on existing frameworks and principles, with the broad participation of creditors and debtors, the comparable treatment of all creditors and an important role for the Bretton Woods institutions, and in this regard, welcomes and calls upon all countries to contribute to the ongoing discussions in the International Monetary Fund and the World Bank and other forums on the need for and feasibility of a more structured framework for international cooperation in this area;

33. *Welcomes* the efforts of and calls upon the international community to provide flexibility, and stresses the need to continue those efforts in helping

post-conflict developing countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development;

34. *Also welcomes* the efforts of and invites creditors to provide flexibility to developing countries affected by natural disasters so as to allow them to address their debt concerns, while taking into account their specific situation and needs;

35. *Further welcomes* the efforts of and calls upon the international community to support institutional capacity-building in developing countries for the management of financial assets and liabilities and to enhance sustainable debt management as an integral part of national development strategies;

36. *Invites* the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions and stakeholders, to continue and intensify cooperation in respect of capacity-building activities in developing countries in the area of debt management and debt sustainability;

37. *Invites* the international community, including the United Nations system, to continue efforts to increase financial support in respect of capacity-building activities for developing countries in the area of debt management and debt sustainability, and encourages countries that have not done so to create transparent and accountable debt management systems;

38. *Calls upon* all Member States and the United Nations system, and invites the Bretton Woods institutions and the private sector, to take appropriate measures and actions for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits, in particular those related to the question of the external debt problems of developing countries;

39. *Requests* the Secretary-General to submit to the General Assembly at its sixty-fifth session a report on the implementation of the present resolution and to include in that report a comprehensive and substantive analysis of the external debt situation of developing countries;

40. *Decides* to include in the provisional agenda of its sixty-fifth session, under the item entitled "Macroeconomic policy questions", a sub-item entitled "External debt sustainability and development".

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Macroeconomic policy questions: commodities

Report of the Second Committee*

Rapporteur: Ms. Denise **McQuade** (Ireland)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 51 (see A/64/418, para. 2). Action on sub-item (d) was taken at the 24th and 39th meetings, on 28 October and 4 December 2009. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/64/SR.24 and 39).

II. Consideration of draft resolutions A/C.2/64/L.5 and A/C.2/64/L.53

2. At the 24th meeting, on 28 October, the representative of the Sudan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Commodities" (A/C.2/64/L.5), which read:

> "*The General Assembly*,
>
> "*Recalling* its resolutions 59/224 of 22 December 2004, 61/190 of 20 December 2006 and 63/207 of 19 December 2008 on commodities,
>
> "*Recalling also* the United Nations Millennium Declaration adopted by Heads of State and Government on 8 September 2000, the 2005 World Summit Outcome adopted on 16 September 2005 and its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals, and the other internationally agreed development goals.

* The report of the Committee on agenda item 51 is being issued in five parts, under the symbol A/64/418 and Add.1-4.

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"*Recalling further* the International Conference on Financing for Development and its outcome,

"*Recalling* the Plan of Implementation of the World Summit on Sustainable Development,

"*Recalling also* the Programme of Action for the Least Developed Countries for the Decade 2001-2010 and the outcome of the high-level meeting of the sixty-first session of the General Assembly on the midterm comprehensive global review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, held in New York on 18 and 19 September 2006, and taking note of *The Least Developed Countries Report, 2009: The State and Development Governance*,

"*Taking note* of the Arusha Declaration and Plan of Action on African Commodities adopted at the African Union Conference of Ministers of Trade on Commodities, held in Arusha, United Republic of Tanzania, from 21 to 23 November 2005, and endorsed by the Executive Council of the African Union at its eighth ordinary session, held in Khartoum from 16 to 21 January 2006,

"*Taking note* of the targets set out in the Rome Declaration on World Food Security and the Plan of Action of the World Food Summit and the outcome document of the World Food Summit: five years later, which reaffirms the pledge to end hunger and poverty,

"*Taking note also* of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008,

"*Taking note further* of the Political Declaration of the High-Level Meeting on Africa's Development Needs, held in New York on 22 September 2008,

"*Taking note* of the Accra Accord, adopted by the United Nations Conference on Trade and Development at its twelfth session, containing far-reaching recommendations on commodity issues, and of further decisions and agreed conclusions on commodities adopted by the Trade and Development Board and its subsidiary bodies in 2008 and 2009,

"*Recognizing* that many developing countries continue to be highly dependent on primary commodities as their principal source of export revenues, employment, income-generation and domestic savings, and as the driving force of investment, economic growth and social development, including poverty eradication,

"*Deeply concerned* that recent episodes of commodity price booms and subsequent busts underlined the fact that the underlying causes of commodity price volatility have yet to be properly addressed, and that such commodity-dependent developing countries and economies in transition continue to be highly vulnerable to price fluctuation, mainly owing to excessive speculation and insufficient regulation of commodity future markets,

"*Recognizing* that the present crisis has reinforced the need for a holistic and integrated approach to deal with the commodity problematique, and

stressing the need to identify and agree on the best ways to strengthen the nexus between trade, food, finance, energy and industrialization,

"*Recognizing also* that the current economic crisis has impacted negatively on the commodity economy evidenced by, inter alia, the decline in demand for commodities, diminishing supply capacities owing to shrinking commodity revenues and postponement of investments, thus resulting in an economic slowdown in commodity-dependent economies,

"*Stressing* the importance of policies to address longer-term structural issues of the commodity economy and integrate commodity policies into wider development and poverty eradication strategies at all levels,

"1. *Takes note* of the note by the Secretary-General transmitting the report on world commodity trends and prospects prepared by the secretariat of the United Nations Conference on Trade and Development;

"2. *Underscores* the need for further efforts to address commodity price volatility;

"3. *Calls for* a coherent set of policy actions at the international level to address excessive price volatility and mitigate the negative impact on commodity-dependent developing countries, through facilitating value addition and enhancing their participation in commodity and related product value chains, and by supporting large-scale diversification of these economies;

"4. *Recognizes* the potential for innovation, productivity improvements and promotion of non-traditional exports in most commodity-dependent developing countries, particularly in Africa, and calls for enhanced support by the international community as well as exchanges of experience in these areas within the framework of South-South economic cooperation;

"5. *Calls upon* the international community to work closely with commodity-dependent economies to identify trade-related policies and instruments as well as investment and financial policies as key elements of development strategies of these economies;

"6. *Underscores* the importance of increased investments in infrastructure as a means of promoting agricultural development and enhancing commodity diversification and trade, and urges the international community to assist commodity-dependent developing countries;

"7. *Stresses* that technical assistance and capacity-building aimed at improving the commodity export competitiveness of producers is particularly important, especially in Africa, and urges the donor community to increase resources for commodity-specific, financial and technical assistance, in particular for human and institutional capacity-building, as well as infrastructure development of developing countries, with a view to reducing their institutional bottlenecks and transaction costs and enhancing their commodity trade and development in accordance with national development plans;

"8. *Calls upon* the international community to take urgent measures for food security, including immediate and adequate provision of food grain in developing countries suffering from shortages, in particular least developed

countries, while supporting the efforts of these countries to achieve longer-term food security and sustainable agricultural development;

"9. *Underlines* the important contribution of the commodities sector to rural development, in particular to providing rural employment and income, and to the efforts for achieving food security;

"10. *Emphasizes* the importance of international measures and national strategies to improve the performance of the agricultural sector, including the functioning of markets and trading systems, to ensure a better supply-side response from producers, in particular, small farmers, in order to incentivize them to take the risks inherent in investing in increased and diversified production;

"11. *Stresses* the importance of revisiting the discussion on the creation of international buffer stocks and requests the United Nations Conference on Trade and Development to carry out a study, including on various proposals for international buffer stocks, with a view to making specific recommendations for achieving more stability in commodity markets and to curbing excessive speculation in commodity futures;

"12. *Calls for* the early conclusion of the Doha Development Round of trade negotiations with a development-oriented outcome that ensures, inter alia, greater market access for products from developing countries;

"13. *Reaffirms* its commitment to meaningful trade liberalization and to ensure that trade plays its full part in promoting economic growth, employment and development for all;

"14. *Emphasizes* that maximizing the benefits and minimizing the costs of international trade liberalization call for development-oriented and coherent policies at all levels;

"15. *Recalls* the agreement to keep under regular review by the Ministerial Conference and appropriate organs of the World Trade Organization the impact of the results of the Uruguay Round on the least developed countries as well as on the net food-importing developing countries, with a view to fostering positive measures to enable them to achieve their development objectives, and in this regard, calls for the full implementation of the Marrakech Decision on Measures concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries;

"16. *Underlines* the need to strengthen the Common Fund for Commodities and other international commodities organizations, and encourages it, in cooperation with the International Trade Centre UNCTAD/WTO, the United Nations Conference on Trade and Development and other relevant bodies, to continue to strengthen and develop ways to establish greater stability in the commodities market as well as to enhance activities in developing countries to improve access to markets and reliability of supply, enhancing diversification and addition of value, improving the competitiveness of commodities, strengthening the market chain, improving market structures, broadening the export base and ensuring the effective participation of all stakeholders;

"17. *Stresses* that the United Nations Conference on Trade and Development and its partners, in the spirit of inter-agency cooperation and multi-stakeholder partnerships and within their respective mandates, should continue to engage actively in collaborative research and analysis of commodity problematique and related capacity and consensus-building activities with a view to providing regular analysis and policy advice relevant to the sustainable development of commodity-dependent developing countries, particularly low-income countries;

"18. *Underscores* the urgent need for the provision of, and access to, trade finance to commodity-dependent developing countries given the increasing restrictions on access to all types of credit;

"19. *Stresses* the importance of the continuing substantive consideration of the sub-item entitled 'Commodities', and decides to include this sub-item in the provisional agenda of its sixty-sixth session, under the item entitled 'Macroeconomic policy questions';

"20. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to submit a report with recommendations on the implementation of the present resolution and to report on world commodity trends and prospects to the General Assembly at its sixty-sixth session."

3. At its 39th meeting, on 4 December, the Committee had before it a draft resolution entitled "Commodities", submitted by the Vice-Chair, Carlos Enrique García González (El Salvador), on the basis of informal consultations on draft resolution A/C.2/64/L.5.

4. At the same meeting, the Committee was informed that the draft resolution (A/C.2/64/L.53) had no programme budget implications.

5. Also at the same meeting, the Committee adopted draft resolution A/C.2/64/L.53 (see para. 7).

6. In the light of the adoption of draft resolution A/C.2/64/L.53, draft resolution A/C.2/64/L.5 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

7. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Commodities

The General Assembly,

Recalling its resolutions 59/224 of 22 December 2004, 61/190 of 20 December 2006 and 63/207 of 19 December 2008 on commodities,

Recalling also the United Nations Millennium Declaration adopted by Heads of State and Government on 8 September 2000,[1] the 2005 World Summit Outcome adopted on 16 September 2005[2] and its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals, and the other internationally agreed development goals,

Recalling further the International Conference on Financing for Development and its outcome,[3]

Recalling the Plan of Implementation of the World Summit on Sustainable Development,[4]

Recalling also the Programme of Action for the Least Developed Countries for the Decade 2001-2010[5] and the outcome of the high-level meeting of the sixty-first session of the General Assembly on the midterm comprehensive global review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, held in New York on 18 and 19 September 2006,[6] and taking note of *The Least Developed Countries Report, 2009: The State and Development Governance*,[7]

Taking note of the Arusha Declaration and Plan of Action on African Commodities adopted at the African Union Conference of Ministers of Trade on Commodities, held in Arusha, United Republic of Tanzania, from 21 to 23 November 2005,[8] and endorsed by the Executive Council of the African Union at its eighth ordinary session, held in Khartoum from 16 to 21 January 2006,[9]

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[1] See resolution 55/2.

[2] See resolution 60/1.

[3] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[5] A/CONF.191/13, chap. II.

[6] See resolution 61/1.

[7] United Nations publication, Sales No. E.09.II.D.9.

[8] African Union, document AU/Min/Com/Dec1.Rev.1.

Taking note also of the targets set out in the Rome Declaration on World Food Security and the Plan of Action of the World Food Summit[10] and the outcome document of the World Food Summit: five years later,[11] which reaffirms the pledge to end hunger and poverty,

Welcoming the World Summit on Food Security, held in Rome from 16 to 18 November 2009, and its decision to create a Global Partnership for Agriculture, Food Security and Nutrition,[12] the High-level Conference on World Food Security, held in Rome from 3 to 5 June 2008, and the Hokkaido Summits of the Group of Eight held in Japan from 7 to 9 July 2008 and in L'Aquila, Italy from 8 to 10 July 2009,

Taking note of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008,[13]

Taking note also of the Political Declaration of the High-level Meeting on Africa's Development Needs, held in New York on 22 September 2008,[14]

Taking note further of the Accra Accord,[15] adopted by the United Nations Conference on Trade and Development at its twelfth session, containing far-reaching recommendations on commodity issues, and of further decisions and agreed conclusions on commodities adopted by the Trade and Development Board and its subsidiary bodies in 2008 and 2009,

Recognizing that many developing countries continue to be highly dependent on primary commodities as their principal source of export revenues, employment, income generation and domestic savings, and as the driving force of investment, economic growth and social development, including poverty eradication,

Deeply concerned by recent episodes of commodity price booms and subsequent busts and by the fact that many commodity-dependent developing countries and economies in transition continue to be highly vulnerable to price fluctuations, and recognizing the need to improve the regulation, functioning, and transparency of financial and commodity markets in order to address excessive commodity price volatility,

Recognizing that the present crisis has reinforced the need to comprehensively deal with the commodity problematique, while taking due account of the diversity of each country's individual situation and needs and the promotion of their sustainable development, and to strengthen the nexus between trade, food, finance, investment in sustainable agriculture, energy and industrialization,

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[10] Food and Agriculture Organization of the United Nations, *Report of the World Food Summit, 13-17 November 1996* (WFS 96/REP), part one, appendix.

[11] Food and Agriculture Organization of the United Nations, *Report of the World Food Summit: five years later, 10-13 June 2002*, part one, appendix; see also A/57/499, annex.

[12] See Food and Agriculture Organization of the United Nations, *Declaration of the World Summit on Food Security* (WSFS 2009/2).

[13] Resolution 63/239, annex.

[14] See resolution 63/1.

Taking note of the World Investment Report 2009 of the United Nations Conference on Trade and Development, on transnational corporations, agricultural production and development,

Taking note also of the initiative on promoting responsible international investment in agriculture, which aims to develop relevant principles and an international framework,

Recognizing that the current economic crisis has impacted negatively on the commodity economy, as evidenced, inter alia, by the decline in demand for commodities, diminishing supply capacities owing to shrinking commodity revenues and postponement of investments, resulting in an economic slowdown in commodity-dependent economies,

Noting that the report on world commodity trends and prospects prepared by the secretariat of the United Nations Conference on Trade and Development shows that the recent sharp drop in commodity prices has been followed by a partial recovery in prices during the first months of 2009,

Stressing the importance of policies to address longer-term structural issues of the commodity economy and integrate commodity policies into wider development and poverty eradication strategies at all levels,

Taking note of all relevant voluntary initiatives aimed at improving transparency in commodity markets,

1. *Takes note* of the note by the Secretary-General transmitting the report on world commodity trends and prospects prepared by the secretariat of the United Nations Conference on Trade and Development;[16]

2. *Underscores* the need for further efforts to address excessive commodity price volatility, in particular by assisting producers, especially small-scale producers, in managing risk;

3. *Emphasizes* the need for efforts by the developing countries that are heavily dependent on primary commodities to continue to promote a domestic policy and an institutional environment that encourage diversification and liberalization of the trade and export sectors and enhance competitiveness;

4. *Reaffirms* that each country has primary responsibility for its own economic and social development, and recognizes the importance of an effective enabling environment at the national and international levels;

5. *Calls for* a coherent set of policy actions at national, regional and international levels to address excessive price volatility and support commodity-dependent developing countries in mitigating negative impacts, in particular by facilitating value addition and enhancing their participation in commodity and related product value chains, by supporting large-scale diversification of these economies and by encouraging the use and further development of market-oriented risk management tools;

6. *Recognizes* the potential for innovation, productivity improvements and promotion of non-traditional exports in most commodity-dependent developing countries, particularly in Africa, and calls for enhanced support by the international

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[16] A/64/184.

community as well as exchanges of experience in these areas within the framework of South-South economic cooperation;

7. *Calls upon* the international community to work closely with commodity-dependent economies to identify trade-related policies and instruments as well as investment and financial policies as key elements of development strategies of these economies;

8. *Underscores* the importance of increased investments in infrastructure as a means of promoting agricultural development and enhancing commodity diversification and trade, and urges the international community to assist commodity-dependent developing countries;

9. *Expresses concern* over the large-scale land acquisitions by, among others, transnational corporations in developing countries that incur risk to development efforts, stresses the importance of promoting responsible international investment in agriculture, and in this regard invites the United Nations Conference on Trade and Development, in cooperation with other relevant international organizations, to continue its research and analysis on this issue;

10. *Stresses* that technical assistance and capacity-building aimed at improving the commodity export competitiveness of producers is particularly important, especially in Africa, and invites the donor community to provide necessary resources for commodity-specific, financial and technical assistance, in particular for human and institutional capacity-building, as well as infrastructure development of developing countries, with a view to reducing their institutional bottlenecks and transaction costs and enhancing their commodity trade and development in accordance with national development plans;

11. *Also stresses* that Aid for Trade should aim to help developing countries, particularly least developed countries, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from World Trade Organization agreements and, more broadly, to expand their trade;

12. *Calls upon* the international community to take urgent measures for food security, including immediate and adequate provision of food grain in developing countries suffering from shortages, in particular least developed countries, while supporting the efforts of these countries to achieve longer-term food security and sustainable agricultural development, and notes, furthermore, that food aid should be provided in a manner that does not disrupt domestic markets and food production;

13. *Underlines* the important contribution of the commodities sector to rural development, in particular to providing rural employment and income, and to the efforts for achieving food security;

14. *Emphasizes* the importance of international measures and national strategies to improve the performance of the agricultural sector, including the functioning of markets and trading systems, to ensure a better supply-side response from producers, in particular, small farmers, in order to incentivize them to take the risks inherent in investing in increased and diversified production;

15. *Stresses* the importance of finding tools to best manage excessive price volatility, and requests the United Nations Conference on Trade and Development to

carry out a study with a view to making specific recommendations on measures which could achieve more stability in commodity markets;

16. *Calls for* the conclusion of the Doha Development Round of trade negotiations of the World Trade Organization in 2010 with an ambitious, balanced and development-oriented outcome;

17. *Reaffirms* its commitment to meaningful trade liberalization and to ensure that trade plays its full part in promoting economic growth, employment and development for all;

18. *Emphasizes* that maximizing the benefits and minimizing the costs of international trade liberalization call for development-oriented and coherent policies at all levels;

19. *Recalls* the agreement to keep under regular review by the Ministerial Conference and appropriate organs of the World Trade Organization the impact of the results of the Uruguay Round on the least developed countries as well as on the net food-importing developing countries, with a view to fostering positive measures to enable them to achieve their development objectives, and in this regard calls for the implementation of the Marrakech Decision on Measures concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries;

20. *Welcomes* the actions taken by some individual countries since the International Conference on Financing for Development in Monterrey, Mexico,[3] towards the goal of full duty-free and quota-free market access for all least developed countries, and calls on other developed and developing countries declaring themselves in a position to do so to take steps towards this objective;

21. *Calls* on the international financial institutions and development banks to assist commodity-dependent developing countries in managing the effects of price volatility, and in this regard invites those countries to continue to implement effective economic and fiscal measures;

22. *Reaffirms* that every State has and shall freely exercise full permanent sovereignty over all its wealth, natural resources and economic activities;

23. *Recognizes* the importance of increasing efficiency and effectiveness in the management of public and private sectors revenues in developed and developing countries derived from all commodities and commodities-related industries, including final processed goods, in support of development;

24. *Recognizes* the important contributions of the Common Fund for Commodities and other international commodities organizations and encourages them, in cooperation with the International Trade Centre UNCTAD/WTO, the United Nations Conference on Trade and Development and other relevant bodies, to continue to strengthen and study ways to establish greater stability in the commodities market as well as to enhance activities in developing countries to improve access to markets and reliability of supply, enhancing diversification and addition of value, improving the competitiveness of commodities, strengthening the market chain, improving market structures, broadening the export base and ensuring the effective participation of all stakeholders;

25. *Stresses* that the United Nations Conference on Trade and Development and its partners, in the spirit of inter-agency cooperation and multi-stakeholder partnerships and within their respective mandates, should continue to engage actively in collaborative research and analysis of the commodity problematique and related capacity and consensus-building activities with a view to providing regular analysis and policy advice relevant to the sustainable development of commodity-dependent developing countries, particularly low-income countries;

26. *Underscores* the urgent need for the provision of, and access to, trade finance to commodity-dependent developing countries, given the tightened access to all types of credit and noting debt sustainability;

27. *Stresses* the importance of the continuing substantive consideration of the sub-item entitled "Commodities", and decides to include this sub-item in the provisional agenda of its sixty-sixth session, under the item entitled "Macroeconomic policy questions";

28. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to submit a report on the implementation of the present resolution with recommendations and to report on world commodity trends and prospects, including further examination of the causes of the excessive commodity price volatility, to the General Assembly at its sixty-sixth session.